

A WARNING VOICE, &c.

CHAPTER I.

Object of this tract to develop the true interests of the farmers, planters, and merchants.

IN presenting these pages to the sober consideration of the agriculturists, as well farmers and tobacco planters, as cotton planters, and to the mercantile class of this community, and invoking them most solemnly to ponder well on the consequences of the policy they so pertinaciously defend, in opposing any adequate protection to their fellow citizens engaged in providing an immense, certain, and increasing domestic market, “*the best of all markets for the rude produce of the soil,*” I shall not dwell on the deep distress, frequently experienced by those fellow citizens, since the close of the war, particularly in the never-to-be-forgotten years, 1818–19–20¹—on the hundreds reduced

¹I wish it understood that in these declarations I have regard only to the text. There I shall rigidly confine myself within the prescribed limits, but shall consider myself at liberty, in the notes, to urge any or all of the topics above stated, to their utmost extent. It is impossible to reflect on the proceedings of 1819–20, without feeling for the honour of the country. While a degree of distress that could scarcely be exceeded, prevailed throughout the great states of New York and Pennsylvania, and nearly the whole of the western states, and while, according to a report of a committee of the legislature of Pennsylvania, “*numerous families were deprived of the common necessities of life—and of the implements of their trade*”—and “*forced to seek, in the uncultivated forests of the west, that shelter of which they were deprived in their native state*”—the merchants throughout the nation combined to deprive the sufferers of all chance of relief, by private influ-

to bankruptcy by that policy—on the widows and orphans, now dependent on hospitable, provident, and soup societies, once enjoying towering prospects, thus

ence, and by memorials and remonstrances. Agricultural societies also were excited throughout Virginia, by a few violent and prejudiced men to memorialize, remonstrate, and strain every nerve to prevent the adoption of any measure for their relief. In their memorials they unjustly vilified them for extortion during the war; whereas, if an exorbitant rise of price deserves the name of extortion, the members of those societies, many of whom, in one year, raised their tobacco from \$ 96 to \$ 185, had an infinitely stronger claim to the appellation of extortioners. The manufacturers were treated as if they had no right to protection, and did not stand upon equal ground with their fellow citizens. A member of congress, I am credibly informed, in a paroxysm of excitement, made a most solemn asseveration in his place, that he would never himself wear, nor allow any of his slaves to wear, any article of American manufacture. Another member in a petulant humour, declared, in the session of 1815–16, that he had been so bored by manufacturers and manufactures, that he would never be able as long as he lived to endure the words again.

The immense losses sustained by the manufacturers after the war, will be an eternal reproach to the prevailing policy of the time. Precise data on the subject are unattainable. But there cannot be a doubt that millions were lost to them and the nation, at that period. One-half the large establishments in the Union were closed, and their proprietors bankrupted. I may at a future day attempt to collect materials to form an estimate on the subject. A few facts duly authenticated will enable the reader to form some faint idea of the extent of this evil. The factory now occupied by Mr. D'Wolf, one of the senators from Rhode Island, which cost \$ 76,000, *money carefully and faithfully laid out*, according to that gentleman's own statement, was purchased by him in 1818 at a fair open sale by the sheriff or marshal, for \$ 6400 !

The Manufacturing Company of Lancaster, Pennsylvania, went into operation in 1814, with a capital actually paid in, of \$ 128,000, which was expended in erecting buildings and machinery, and in spinning cotton yarn and manufacturing cotton goods, until the year 1818, when, in consequence of the markets being glutted with foreign goods, it was found necessary to close the concern. Hoping for better times, they had borrowed \$ 54,000 on the notes of

blighted and blasted—on the millions of money sacrificed on establishments, the pride and ornament of the country, and which, devoted to decay for want of protection, might have been rendered a prolific source of national prosperity and individual happiness—nor, in fine, on the existing distress among the woollen manu-

some of the parties interested, who purchased the entire establishment for the amount of those debts. Thus the whole original capital was sunk. The new company continued the business until about two years since, when they sold out for \$ 4000, the proprietors becoming responsible for debts contracted to the amount of \$ 18,000. The loss sustained by the companies amounted to about \$ 150,000. On this statement the public may place implicit reliance. Had such a company existed in the dominions of Buonaparte, he would have loaned them money at 2 per cent.—and furnished them buildings to carry on their useful manufacture.

I am credibly informed, that the stockholders of the Eagle Company of New York, expended on their buildings, machinery, stock, &c. \$ 110,000, the whole of which was sunk; as the proceeds of the property, when the establishment was broken up, were not more than sufficient to pay their debts.

Every portion of the country where manufacturing establishments were located on a large scale, exhibited similar losses. The sacrifice made by the original proprietors of the Waltham establishment was immense, but I believe not so great. By the way, mentioning the Waltham establishment, I cannot forbear to state, that the proprietors ought not to have allowed the world to believe, as it does very erroneously, that the dividends of 20, 25, and 30 per cent. which they make, are derived wholly from their cotton manufacture, which idea has had a pernicious effect in impressing the public with an opinion that this manufacture, far from requiring any further protection, is too extravagantly protected already. Whereas a large portion of their profits is drawn from the manufacture of machinery. Their allowing such an error respecting their establishment to prevail uncontradicted, approaches towards, if it is not actually, a *suppressio veri*. The manager of the institution was called upon publicly in the National Intelligencer to rectify the error—but declined a reply. On this conduct I offer no other comment.

facturers to the eastward² as well as among those of that class in this quarter,³ so feelingly depicted in memorials now before congress.

² A memorial presented to congress, by the woollen manufacturers of Providence, Rhode Island, states, that—

“Large sums have been invested in mills and machinery for manufacturing wool in the State of Rhode Island and its vicinity, and numerous workmen have derived employment from their operation. That during the late war with Great Britain, these manufactories were principally established, when they afforded, even in their infancy, great relief to the wants of the country— they have since, without protection, been gradually increasing, until excessive importations of foreign manufactured woollens have finally discouraged further investment of capital. From this cause it is estimated that *the operation of more than one-half of these mills is at present suspended!* In some instances the machinery for wool has been laid aside, and other machinery employed in place of it. Those, who, in the hope of some favourable change, still continue the manufacture of wool, *have gloomy prospects before them!*”

³ The following extract from “*The Crisis*,” affords a fair portrait of the situation of many of the woollen manufacturers in the neighbourhood of Philadelphia—

“I have now before me a letter from an intelligent American citizen, who, about twelve months since, engaged in the manufacture of satinets, and invested 16,600 dollars in the establishment, exclusive of raw materials and wages.

“Mill, a building 38 feet by 45, cost	-	-	-	-	\$ 6000
“Machinery	-	-	-	-	5000
“Dye House, &c.	-	-	-	-	600
“Water right	-	-	-	-	5000

\$ 16,600

“He employed 15 weavers, 3 spinners, 2 carders, 3 finishers, 1 dyer and assistants, and 25 boys and girls—in all about 27 or 28 adults, and 25 children. His goods were as well manufactured as possible. Having reduced the wages to so low a rate as to afford a mere sustenance to his work people, his goods were offered cheap. But all would not do. He could not compete with the great quantities of rival goods forced to sale at vendue.

Nor shall I plead for the national welfare—nor point their attention to the depression that exists, with some exceptions, throughout the United States—to the

“I will let him tell his plain story—‘Such is the extent to which our markets are flooded with British woollens, that we cannot now get within five cents per yard of what ours cost: and this is not because they can make them in England, and sell them cheaper than we can; for the owners of English goods make heavy losses; but it is because *they make our country the common sewer through which they vent all that remains on hand after they have supplied the home market*, and their other customers; or perhaps they are determined to run an opposition coach against our woollen manufacturers until they ruin us; which they can do without any thing like the loss to which we are subjected. Making a profit on their other sales, they can flood us with but little diminution of their gain.’ “About three weeks since, the whole of the work people, about fifty-three, were discharged, and the factory closed. Some of them from want of employment probably became paupers, and a public burden. Others betook themselves in all likelihood to field labour, increasing a branch already too numerous. And thus for the sake of revenue, and for the sorry consideration of buying goods cheap abroad; we devote our enterprising citizens to ruin, and our work people to idleness and all its concomitant evils. As if nothing were too ludicrous or extravagant to be pressed into service against manufactures and manufacturers, the tendency of the former to demoralize a nation, has been zealously insisted on. That is, in plain English, by employing the poorer classes of our people, we hazard the destruction of their morals! and we improve their morals by shutting up our establishments, and depriving them of employment! It is impossible to reflect on the consequences of a policy predicated on such fallacy, without melancholy sensations.”

With one other fact, I shall close this long note. A respectable citizen, with a family of seven children, lately leased a woollen manufactory in the neighbourhood of Doyle’s town, in this state. He commenced with a small capital, which, had he had the advantage of a brisk market, would have been amply adequate to make a handsome living—he employed from fifteen to twenty work people, and manufactured satinets of excellent quality to a considerable amount—but when he brought them to market, it was so completely glutted with foreign articles, sacrificed at reduced prices,

great western states writhing in agonies for want of a specie medium, drained from them to pay for articles which they could themselves furnish—to the arrestation of the increase of our population by accessions of useful artists, mechanics, and manufacturers, who, with their talents, their capitals, and their industry, would flock to our shores, if their different avocations were adequately protected—to the advantages to be derived to the permanence of the union from a broad and liberal policy, which would identify the interests, and cement the attachments of the east, and the west, the north, the centre, and the south. No. I forbear these topics. They have been long since exhausted by numbers of writers—and I have myself dwelt on them with repetitions which nothing but the immense magnitude of the subject could justify.

I shall call to my aid motives of a totally different nature—motives to which few are insensible—which have universal influence with young and old—grave and gay—rich and poor—which have more or less even with the exalted patriot whose chief object is the promotion of his country's welfare—as well as with him whose charity and good feelings are of the domestic kind, and never travel beyond himself and his own concerns. I mean personal interest.—If I do not prove that the system to which the planters and merchants so tenaciously cling, is vitally injurious

that he could not sell his for even the cost of the stock and labour. He found that it was in vain to struggle with such powerful competitors—dismissed his workmen—closed his establishment—divided his stock among his creditors—and, having sunk his whole property in this laudable undertaking, took refuge as a clerk in a public office. This is a case very similar to that of numbers in this and other states :—and such is the fate to which our ruinous policy devotes honest industry.

to themselves—that it unduly increases the number of merchants, at all times disproportioned to our commerce—and also the number of the cultivators of the soil, and produces those gluts in the foreign markets, which so perniciously reduce the prices of our staples, then I wish them to reject my counsels, and to commit my pamphlet to the flames.

In the discussion of every subject, there are positions or postulata, which are so plain and clear, that they cannot be controverted by a fair antagonist, and therefore, to save time and trouble, require no proof.

I will therefore assume as postulata—

I. That cotton, if not the most valuable article of the rude produce of the earth, next to iron, is at present an article of the most imperious necessity.

II. That the consumption has gone on increasing from year to year for thirty years past.

III. That at its present prices, it does not adequately remunerate the planter.

IV. That this pernicious state of things, with regard to an article of such primary importance, must arise from a too great increase of the production, which for years has kept ahead of consumption, and maintained a large surplus on hands.

V. That any measure, of which the inevitable tendency is to increase the number of cultivators, and of course the production, must therefore be injurious to the planters.

These postulata being conceded, I shall attempt to prove—

I. That our system necessarily, inevitably, and steadily, tends to increase the number of cultivators of the soil generally; that is, to convert artists, mechanics and manufacturers into farmers—and by thus unduly increasing the number of the latter, and converting

their customers into rivals, it depresses farming, and converts farmers into cotton and tobacco planters.

II. That the cotton planters had early and adequate warnings, in 1817 and 1818, of the approaching ruinous downfall of the price of cotton, and wholly neglected to take any precautionary measures to guard against the consequences.

III. That the depression of the price of cotton, tobacco and flour, can be fairly traced to the great increase of the exportable surplus beyond the demand in foreign markets.

To prove the first point, it is necessary to present a slight sketch of our policy.

A large portion of our manufacturers have not and never had any adequate protection against the overwhelming influence of foreign rivals, possessed of transcendent advantages over them, in point of skill, capital, machinery, and governmental protection in the domestic market. Year after year, numbers of them are swept away by bankruptcy—their establishments closed—and their people turned adrift, with their industry, their only inheritance, blighted and blasted. Myriads of them have, since the war, betaken themselves to farming, thus becoming rivals of, instead of customers to, the regular bred farmers.

By investigations made with considerable care and attention in 1819, it appeared that the number of persons engaged in thirty branches of manufactures in Philadelphia, (there were twenty-six more, from which returns were not made)⁴ was diminished since the year

⁴ No returns were procured from these branches,—Bookbinders, brewers, brickmakers, carpenters, coopers, chocolate makers, calico printers, curriers, chair makers, dyers, engravers, embroiderers, glovers, glass manufacturers, manufacturers of gun-

1816, from 9672 to 2137, being a reduction of no less than 7535, thrown out of employment. The diminution of wages was not less than \$ 2,366,000, and supposing the materials to be equal to their wages, and the profit to their employers to be only ten per cent. it would amount to \$ 5,000,000 per annum. Supposing that in the remaining 26 branches there were only half the number, it would amount to above 10,000 persons in one city, who averaged probably at least three to a family. In Pittsburg a similar scrutiny took place, which made the number thus divested of employment there amount to 1288. In Rhode Island, the number is stated at some thousands. The same decline took place in almost all the eastern and middle states. The whole number of work people thus dislodged from their regular occupations was probably 30,000, with families averaging as above, three each, comprising together 120,000 souls, of whom a large proportion betook themselves to agriculture, as the only field open for their reception. From other branches of manufactures than their own, they were debarred—as all at that period partook largely of the general depression and suffering.

Thus was farming doubly distressed. It was deprived of a market for wool, flax, hemp, timber, hides, skins, &c.—and also for the provisions which those manufacturers were wont to purchase, but which they now raised themselves. And again, those manufacturers were, I repeat, converted into rivals, and contributed largely to produce the extra exportation of bread-stuffs in 1820 and 1821, which reduced the price of flour to four dollars and a half; and the

powder, painters and glaziers, plumbers, shoemakers, shotmakers, sugar bakers, snuff and tobacco manufacturers, stonecutters, turners, tanners, umbrella makers, wheelwrights, &c. &c.

amount from \$ 6,000,280 for 750,660 barrels in 1819 to an average of \$ 4,797,353 in 1820 and 1821, for an average of 1,116,577 barrels—thus although the quantity was increased very nearly 50 per cent. the amount was actually diminished 23 per cent.⁵ This is a practical lesson on the injury of glutting markets.

This state of things produced the most ruinous effects among the farmers, and forced numbers of them to become planters, and to engage in the culture of tobacco in the eastern states, and cotton and tobacco in New Jersey and Pennsylvania, where nothing but such ruinous policy as we pursue, would ever tempt farmers to engage in this culture. The depression, moreover, of farming in Virginia and Maryland, has made hundreds emigrate from those states, and settle in Alabama, where they have mainly contributed to increase the production of cotton.

From the same cause the cotton crops in North Carolina and Virginia have been very greatly increased of late. The total import of cotton into New York during the months of January and February last, was 12,621 bales, of which 3594, being more than one-fourth, were North Carolina and Virginia. A single house in Fayetteville last year consigned to a correspondent in Philadelphia 450 bales of North Carolina cotton, of excellent quality, amounting to \$ 19,000, all of which was purchased by our own manufacturers.

I hope it requires but a moderate share of sagacity to perceive, and of candour to acknowledge that I have made out my case, and proved that the ultimate effect of our system, although it at first only seems to sacrifice the manufacturers to the supposed interests of the agricul-

⁵ I shall go into more details, respecting the flour market, in a subsequent chapter.

turists, is to depress and impoverish both farmer and planter—and as those three classes comprise the great mass of our population, it of course depresses and impoverishes the nation. To this source may be fairly traced the paralysis that overspreads the land.

CHAPTER II.

Introduction of East India cotton into Great Britain on a large scale. Candour of Liverpool merchants. Warnings neglected. Reduction of the price of United States cotton. Ruinous consequences to planters and merchants.

IT now remains to prove my second position, that the cotton planters had early and adequate warnings in 1817 and 1818, of the approaching downfall of the price of cotton, and wholly neglected to take any precautionary measures to guard against the consequences.

During the late war, the cultivation of cotton in this country was extremely limited—and the exportation to Europe consequently much reduced, amounting in 1812, 1813 and 1814, to only about 65,000,000 lbs. of which only 37,000,000 were exported in the two last years. At the close of the war, the stock on hand in Great Britain, of every kind, was only 80,600 bales; whereas, at the close of 1811, it had been 323,000. This state of things naturally gave rise to an extraordinary demand for our cotton—and greatly enhanced the prices, which for six consecutive years, 1811 a 1816, were, for uplands, as follow—

1811	-	-	-	-	-	-	-	-	14 cents.
1812	-	-	-	-	-	-	-	-	9
1813	-	-	-	-	-	-	-	-	10
1814	-	-	-	-	-	-	-	-	13
1815	-	-	-	-	-	-	-	-	20
1816	-	-	-	-	-	-	-	-	27

On the renewal of the East India Company's charter in 1816, the trade to the East Indies was opened,

under certain regulations, to the subjects of Great Britain generally. The high prices of cotton held out temptations to the commercial world to import largely from that quarter, with every prospect of handsome profits. Accordingly in the year 1816 extensive orders were sent there, and very considerable supplies were received in 1817—and still greater in 1818. In 1819 and 1820, the amount was reduced, partly because the speculation was not found so profitable as had been anticipated, but principally by the failure of the crops, and the consequent rise of prices in the East Indies.⁶ The importations of East India cotton into Great Britain in those four years were—

1817	-	-	-	-	-	bales 117,454
1818	-	-	-	-	-	253,451
1819	-	-	-	-	-	185,121
1820	-	-	-	-	-	57,909

Whereas the whole amount imported for the six preceding years had been only 84,000 bales.

This struck a deep stroke at the prosperity of the cotton growing states—and reduced the price in this country at once 20 per cent. and full 50 per cent. during the course of the winter of 1818–19—and the following spring and summer. The average price in Philadelphia, of Louisiana, Tennessee, and Georgia cotton, on the 18th of Jan. 1819, was 33 cents per lb. When the intelligence of the reduction of price in Great Britain, which took place in Dec. 1818, arrived in this country on the 25th of January, the price fell at once to $26\frac{1}{2}$ cents—and by the 14th of June was down to $16\frac{1}{2}$. The reductions elsewhere of course proceeded *pari passu* with those in Philadelphia—but not hav-

⁶ So great was the scarcity of cotton in the East Indies, that a considerable exportation from London to China took place in 1821.

ing the prices current of other ports before me, I am unable to enter into details on the subject.

Never was a body of enlightened men more utterly blind to their interests, than were the cotton planters in Congress at that period. Of the approaching hurricane they had due and seasonable notice, to prepare to ward off the stroke.⁷ Ample intelligence had arrived in this country from the Liverpool merchants, of the sailing of the vessels and of the probable quantity of cotton to arrive in Great Britain.⁸ They were urged to

⁷ It is authentically stated in a Liverpool circular of January 6, 1817, that "a great quantity of tonnage had then gone out to the East Indies from Great Britain, and that probably from 20 to 30,000 bags of cotton may come from thence in 1817, more than came in 1816. *But no calculation, it is observed, can be formed on this head.*"

"It is a fact, not generally known to the cotton shippers in America, that, owing to the high prices of this article in Europe last year, immense speculations were projected from Britain to the East Indies; and not less than 120 sail of extra ships, rising 400 tons each, (which tonnage the British law requires to entitle vessels to go to India,) went round the Cape of Good Hope, for the purpose of bringing home cotton from Calcutta, Madras, and Bombay; and supposing them to carry only a partial cargo of 200 bales each, the amount of cotton to be brought back by them will be 240,000 bales, weighing on the average 250 lbs. each, or 60,000,000 pounds weight of cotton." *New York, Feb. 1817.*

⁸ "The present use of East India cotton is about 1050 bales per week more than last year, and still more in comparison with preceding years. *The consumption of Uplands and Orleans has fallen off*; the former, it appears to us, from the inferiority of the quality of the imports for the last two months, and the prices even these have maintained till lately; which have made Bengal preferable for many purposes, with the difference, that always exists, in the prices. The general opinion is, that there will now be a cessation of imports for three months from the East Indies; but we have no confidence in this opinion, though it is probable. After that period, however, it is expected, that they

apply the only remedy in their power to avert or diminish the effect of the impending evil, that is, to make

“will again become considerable, so that there may be a further import this year of 50,000 bales and upwards. *It may become necessary hereafter to calculate upon this cotton materially interfering with the consumption of Boweds and Orleans, particularly of inferior and middling qualities.*” *Liverpool, June 7, 1817.*

“With the chief part of the uplands now brought forward, *East India cotton begins materially to interfere*; and if the quality of the crop yet to be received should not improve, this will occur to a more considerable extent; for in the late imports of Bengal cotton, *there is a decided improvement in the staple*; and by reference to the annexed list of sales, it is evident *they are coming into more general use.*” *Humberston, Graham & Co. Liverpool, June 28, 1817.*

“It was confidently expected by many, that prices would have rallied before the close of the year: but the immense quantity of East India cotton which is weekly forced on the market by auction, renders this speculation extremely uncertain; particularly, as by *a recent discovery in the preparation of Bengals and Surats, the spinners are enabled to make better yarn and spin finer numbers; this has very materially interfered with the consumption of American cotton, and will prevent it from ever reaching such prices as it has of late years done.*” *John Richardson, Liverpool, Nov. 11, 1817.*

“The most remarkable increase of imports, has been in East India cotton; and the stock of this description is considerably heavier than it was. But *the consumption of it is increasing very rapidly; being now very probably not less than 1000 bales per week more than it was last year.*” *Yates, Brothers, & Co. Liverpool, July 1, 1818.*

“The use both of Bengal and Surat is become very considerable; and while there continues so great a relative difference in price between them and the descriptions with which they come more immediately in competition, *there seems good reason to apprehend that their use will continue to extend.*” *Cropper, Benson & Co. Liverpool, 11th Month 30th, 1818.*

“Our present heavy stock of East India cotton, which will continue to increase for some time yet, and the fact that it is getting more into use by the spinners altering their machinery for using it, on account of the very low prices, will prevent any consider-

a domestic market, and thus reduce the quantity for exportation.⁹ This was the obvious dictate of common sense and sound policy. But to all advice on the subject they were deaf. Not a single measure was adopted to increase the domestic consumption—on the contrary, it was rapidly diminishing by the suspension of the operations of our manufacturing establishments and

“able advance on American cotton for the greater part of next year.”
John Richardson, Liverpool, December 28th, 1818.

“The demand there now is for good Surat cotton, *will very seriously interfere with American cotton, particularly uplands of an inferior quality, and will have the effect of depressing them in price.*” *John Richardson, Jan. 1, 1819.*

“From a review of the imports and stock at the end of each year, it appears that there has been *an increase in 1818 in the consumption of India of 26,000 bags ; of Brazil also some increase ; but a decrease of American of about 12,000.*” *Fates, Brothers, and Co. Liverpool, Jan. 2, 1819.*

“Upland cotton, the leading article of import from the United States, is *likely to be much interfered with by East India cotton, to the spinning of which many of our mills are adapting their machinery, and many new ones are building, solely calculated to consume it.* There seem to be no limits to the quantity that can be produced in that country, and which is materially aided by the low price of labour. *During the first six months of the last year, they exported 100,000 bales more than they did the preceding twelve months!* Its extreme low price will force it into consumption, to the *exclusion of other descriptions.*” *W. & James Brown & Co. Liverpool, Jan. 14, 1819.*

⁹“It is, from the most serious conviction, respectfully repeated, that one of the most sure means of maintaining the price of American cotton, is to improve, promote, and establish the home manufacture of that raw material by household industry, and by water and steam mills.”—*Tench Coxe’s Memoir, Feb. 1817.*

“No fact or prospect threatens our agriculture with *so much substantial evil*, as the rivalry of our cotton wool by foreign cotton wool in the seaports of Great Britain, Ireland, and continental Europe, for the manufacture of cotton goods to sell in all parts of the known world, and *even to be sold and consumed in the United States by our cotton planters.*”—*Idem, p. 15*

the bankruptcy of the proprietors, who, in their intense distress and sufferings, implored the protection and aid of the national legislature—but implored in vain—for they were left to perish in an unavailing struggle with foreign competitors. To the most cruel disregard of their calamities was added the most mortifying neglect of their applications, which, as I have often stated, Congress never deigned to read—and many of which were never reported on. The most decided enemies of affording them protection were the representatives from the southern states, who voted almost in solid column against the measure. From the states of Maryland, Virginia, North Carolina, South Carolina, and Georgia, there were only four votes for the modification of the tariff proposed by Mr. Baldwin's bill—and forty-two against it. The whole number of votes in the negative was only 69, of whom it thus appears nearly two-thirds were from those states.

Excessive losses were sustained by the shippers of cotton in 1818–19. Those who had done business largely, were either altogether bankrupted, or else most severely crippled. Computations, made with as much exactness as the nature of the case would admit, made the mercantile loss \$4,000,000—and the reduction of the incomes of the planters \$6,000,000. The prices in Liverpool were constantly falling for ten months. They were for Uplands as follows—

						<i>d.</i>	<i>d.</i>
1818. September	-	-	-	-	-	19 to	21 $\frac{1}{2}$ ¹⁰
October	-	-	-	-	-	18	21 ¹⁰
November	-	-	-	-	-	17	20 ¹⁰
December	-	-	-	-	-	17	19 $\frac{1}{2}$ ¹⁰
1819. January	-	-	-	-	-	17	19 ¹¹
February	-	-	-	-	-	15	17 ¹¹

¹⁰ Lawrence, Willis, & Co. Jan. 1819.

¹¹ Rathbone, Hodgson & Co. Jan. 10, 1821.

March	-	-	-	-	-	14 to 16 ¹¹
April	-	-	-	-	-	12 13 ¹¹ ₂
May	-	-	-	-	-	11 13 ¹¹
June	-	-	-	-	-	10 ³ ₄ 12 ³ ₄ ¹¹

I do not pretend—it would be absurd to pretend—that any precautions on the part of our government would have wholly prevented depreciation. The extraordinary importations of 1818 and 1819, rendered a reduction inevitable, as may appear from the following comparison:—

1816	-	-	-	-	-	371,206 bales.
1817	-	-	-	-	-	478,394
1818	-	-	-	-	-	666,370
1819	-	-	-	-	-	544,906

But as the consumption of East India cotton made slow progress, and as that of our cotton was rather increased, it is obvious that a small reduction in the amount exported from this country, would have prevented the ruinous extent of the reduction of price which took place in 1818 and 1819. This will conclusively appear from the following statement.

The consumption of American and East India cotton in Great Britain for six years, was as follows:—

		East India.	American.
1818	-	98,708	160,870
1819	-	49,600	209,000
1820	-	74,400	246,900
1821	-	52,650	274,500
1822	-	49,050	311,550
1823	-	42,420	331,800

Thus it appears, that while the consumption of our valuable staple was constantly increasing, the price was as regularly falling—a pernicious circumstance which could have arisen from no other cause than an excess of supply beyond the demand—and this excess is the natural and inevitable consequence

of the policy, which, by depressing manufactures, converts manufacturers into agriculturists.

I now present a synopsis of the export and treasury valuation, of the United States cotton, for 1819 and 1820.

1819.	Export.	Value.
Sea Island - -	7,488,775 lbs.	\$ 3,369,949
Other kinds - -	80,508,270	17,711,820
Total - - -	87,997,045 lbs.	\$ 21,081,769
1820.		
Sea Island - -	11,569,015 lbs.	\$ 3,702,085
Other kinds - -	116,291,137	18,606,582
	127,860,152 lbs.	\$ 22,308,667

This table demands serious consideration, and would, of itself, fully establish the doctrine I advocate, in regard to the consequences of glutted markets. It appears that our exports in 1820, exceeded those of 1819, by

Sea Island - - - -	4,080,240 lbs.
Other kinds - - - -	35,782,867
	39,863,107 lbs.

being an increase in the quantity of above 45 per cent. whereas the increase in the proceeds was not quite six per cent. as 39,863,197 lbs. additional produced an increase of only about 1,220,000 dollars.

As this is a point of considerable importance, I judge it not superfluous to add other facts, and present other views of the subject.

The consumption of cotton in Great Britain in 1819,	lbs.
was 418,500 bales, or about - -	125,550,000
In 1820 it rose to 486,750 bales, or - -	146,025,000
Being an increase of above 15 per cent. - -	20,475,000

The importation of United States cotton in 1819 was	bales.	lbs.
- - -	212,500,	or 63,750,000
in 1820 - - -	301,200	90,360,000
<hr/>		<hr/>
An increase of above 40 per cent.	88,700	26,610,000
<hr/>		<hr/>

whereas the importation of the other kinds had decreased, from 334,820 bales in 1819 to 278,950 in 1820.

Thus the important fact is established, that although the consumption was increased, and the importation of the other species reduced, yet the great increase of our cotton perniciously affected the price of the whole quantity in the market.

It cannot be doubted that had not our export been so much increased in 1820, the price, instead of falling, as it did, from 22 cents to 16, for Uplands, would have probably risen to 25 or 26 cents, in which case the lesser quantity would have produced 2 or \$ 3,000,000 more than was received for the greater.

A circumstance which occurred in 1820, affords a strong proof of the great influence of opinion on markets, and deserves the particular attention of the cotton planters, as shedding strong light on the impolicy of our proceedings. In the early part of January in that year, the arrival of 8000 bales of cotton from the United States, and an impression that our crop was larger than usual, reduced the price at once very nearly ten per cent.¹² As this was about the opening of

¹² "Since the arrival of 8000 bags of the new crop of Upland cotton, the prices have fallen from $13\frac{3}{4}$ to $12\frac{1}{2}$, and heavy at the latter rate. Sea Islands $2d.$ to $2\frac{1}{2}d.$ lower: and the general opinion is in favour of a further reduction. *The prices are 30 per cent. lower on American cotton, as well as on many other articles of American produce, than this time last year.*"—Barber & Co. Liverpool, Jan. 17, 1820.

the market for the new crop, it affected the whole, and must have made a difference of about two millions to the cotton planters, and caused a loss to the shippers of the quantity then on its way to Europe, of probably 150,000 dollars.

A view of the preceding facts will establish one important point, to which too much attention cannot be paid. It is, that the reduction of price, in cases of the superabundance of an article, is out of all proportion beyond that superabundance. Thus although the increase of the import of every species of cotton in 1818, except East India, which crept very slowly into use, was only about 20 per cent. beyond that of 1817, the reduction of price was about 40 per cent. in the British markets, and 50 per cent. in those of the United States.

As there is some analogy between the effect of scarcity in producing a rise of price and that of superabundance in producing a reduction—and as the operation of these causes deserves to be carefully studied by our planters and shippers, I submit an extraordinary case of scarcity and disproportioned rise of price which occurred across the Atlantic, and which I have more than once in vain pressed on the attention of our agriculturists. It affords probably the most powerful illustration of the doctrines here enforced, that history can produce.

In the year 1799 the grain crops failed in Great Britain, to the amount of about one-third of the average crops of the country, according to strict and careful enquiries by Arthur Young, Secretary of the Board of Agriculture, and one of the most competent men in England to investigate the subject. The government, dreading the consequences of a scarcity, which might by monopolists be converted into an absolute famine, adopted the wisest measures that could be devised to

avert the impending danger. The use of flour in the manufacture of starch, and the distillation of grain, were prohibited by act of parliament—bakers were forbidden to sell bread till a day old—potatoes were mixed with flour to make bread—large bounties were given on the importation of bread-stuffs—and in consequence immense quantities were imported—

	Bushels.
Of wheat and flour 1,261,932 quarters, equal to	10,095,456
Of barley - - - - -	67,988
Of oats - - - - -	479,320
	<hr/>
	10,582,764
And of rice - - - - -	cwt. 300,693

Notwithstanding all these wise precautionary measures, the price of wheat rose within one year *above one hundred per cent.* whereas, I repeat, the deficiency was only one-third. In March, 1799, it was 6*s.* 2*d.* per bushel, and in February 1800, it rose to 12*s.* 8*d.* And but for the energy, decision, and profound policy of the British government, it would probably have risen 2, 3 or 400 per cent.

CHAPTER III.

View of the cotton trade for the years 1821 and 1822.

Pernicious consequences of our system. Sage policy of the Dutch. Strong but fruitless representations of the Liverpool merchants.

I PROCEED to present a view of the trade in cotton, during the years 1821 and 1822, which will further tend to corroborate my theory—display the unsoundness of our policy—and establish, beyond the possibility of doubt, the imperious necessity of a radical change, for the relief of the cotton planters, wholly apart from any regard to the national prosperity, or the distresses of the manufacturers.

In this, as in the former chapter, I rely wholly on the unimpeachable testimony of Liverpool merchants of the highest respectability, who unite in one unvarying strain of condemnation of the utter impolicy of our planters and shippers, in glutting the foreign markets with their staple—sacrificing their interests—almost constantly lowering the price—or at least preventing a rise, notwithstanding the increased consumption.¹³ I have arranged the opinions and admonitions in

¹³ “ If it be true, as stated in the advices from the United States, that the crop now coming forward will be *at least equal to the last*, the stock of American cotton in this country must continue to accumulate.

“ *While this excess of supply continues, prices must be very low; and it is natural to expect that a reduction will take place in the United States corresponding with the rates paid in this country.*” —Yates, Brothers & Co. Jan. 30, 1821.

“ From the moderate prices of cotton, the more general employment of the working classes of this country, and the fair though

chronological order, and hope the reader, whoever he may be, will bestow on them the most serious atten-

“not high prices of labour, with the low rates of provisions, we think there is a just ground to presume upon a continuance of the present rate of consumption of cotton manufactures, and even presume upon some increase. But *while the imports continue to exceed that consumption, great as it is, the prices must continue to decline; and will no doubt become so low as to cease to remunerate the planter for the expenses of production, and thereby to diminish the future growth.*” Bolton, Ogden & Co. Liverpool, Jan. 13, 1821.

“The import this month is expected to be considerable; and seeing the present disposition of importers to sell on arrival, there seems little chance of any early amendment in prices. On the contrary, indeed, *as there appears to be too much cotton grown, it becomes doubtful if prices will improve, unless the produce is diminished: and time alone can show how far the present reduced rates may have that effect, or tend to keep back supplies.*” Morrall, Watson & Co. Liverpool, Jan. 13, 1821.

“*As each succeeding arrival from this country will furnish worse and worse accounts of our markets, it is to be hoped that the prices on your side will decline in the course of the season, so as to render the shipments safe, and perhaps profitable.*” John M^cAdam & Co. Liverpool, Jan. 20, 1821.

“The increased cultivation in the United States, Brazil, and the East Indies, must gain greatly upon the consumption. With this view of the subject, *it would be hazardous to hold out any expectation of permanent improvement in price, low as it certainly is.*” Maury & Latham, Liverpool, Jan. 20, 1821.

“I cannot recommend you to ship any thing to Europe. *American produce, though lower than I have ever before known it, is still as unsteady and unsettled as ever.* Upland cotton is down at the average of eight pence—and people now begin to talk of the probability of its going to six pence.¹⁴ Tobacco is low, but will go lower. Bonded corn, of which considerable shipments have been lately made to South America and some to New York, can scarcely be given away in this country; and at present prospects are more in favour of an abundant harvest than I have ever before known. *Dry goods are still going out to the United States*

¹⁴ 3000 bales were shortly afterwards sold at auction at 5½ to 7¾ pence.

tion. I have been very copious in the selection, as, in a case of such magnitude—a case on which so much of

“in immense quantities. Exchange will consequently rise; and many of your importers will be ruined, while the shippers of cotton this year to this side will meet with a similar fate.” James Hagerty, Liverpool, Aug. 1, 1822.

“It has been a matter of considerable astonishment to us, that American cottons have continued to arrive in such quantities, bought at high prices, compared with what they will bring here, and in the face of the reiterated discouraging accounts from this during the whole of the year. We are decidedly of opinion, that we cannot look for any permanent or considerable improvement in this article, until the prices get so low with you that the planters have no further encouragement to extend their cultivation; for we find, making large allowances for rot and other casualties, that the increased quantity more than makes up this deficiency, and keeps pace with the consumption, although greater now than at any former period.” W. & James Brown & Co. Liverpool, August 8, 1822.

“The consumption of this country, which, at the end of 1819, was estimated at 10,000 bales per week, is now upwards of 12,000. The progressive increase of consumption taken throughout the year is 1000 a 1200 bales per week. The prosperity of our cotton manufactures is greater and perhaps better founded than at any former period. If this statement be correct, (and great pains have been taken to render it so,) with a stock of one-third less than in 1820, and an annual consumption of one-fifth more, prices are now three-tenths lower—and with a stock of one-seventh less than in 1821, and an annual consumption of one-tenth more, prices are now one-fifth lower.

“These circumstances would, we think, lead to early and material improvements in prices, were it not for the large quantities pressed on the market by American importers, in most rapid succession—quantities which destroy all confidence in the article, prevent all speculation: and what is most discouraging, is the long continuance and increasing influence of this proceeding. The immense losses attending it warrant a hope that it will be in some degree relinquished. But the only effectual security for the future is a larger stock on your side, and the cessation of shipments, which, under these circumstances, produce so great, so overwhelming a pressure on this.”—London. Sept. 6, 1822.

the welfare and happiness of all parties concerned, so materially depends, it is scarcely possible to multiply proofs too far.

Throughout the year 1821, the British markets were glutted with American cotton, as they had been the preceding year, which produced such an effect on the price, as to occasion serious losses to the shippers, to the amount of at least 2,000,000 of dollars. The year 1822, instead of an amelioration of affairs, rendered them still worse. The export from this country in the latter year was 144,675,095 lbs. whereas that of 1821, had been only 124,893,405 lbs. The glut was of course increased—the prospects more gloomy—and the losses far more severe. They amounted in many cases to 25 and 30 per cent. and in some as high as $33\frac{1}{3}$.—Curwen & Hagerty stated in Nov. 1822, that some prime cotton, which had cost at Charleston in the beginning of the season, $18\frac{1}{2}$ cents, was with difficulty sold at $8\frac{1}{2}$ pence in November.¹⁴ This, with exchange at 11 per cent. was only equal to $12\frac{1}{2}$ cents. The loss,

“ This week the market for all descriptions has been very quiet, the business done being very limited ; but there is no disposition evinced to give way in price, and as the dealers and spinners in their late purchases have not had any considerable excess over their usual supply, we think it likely there will be a fair demand again soon. *Any further improvement in price, however, depends much on the continuance of a favourable opinion of the article on the part of the public. The present reports, as to the extent of the American crop, have a repressing influence on that opinion ; but if any thing occur to lessen the estimates of the produce of that crop, or if it should appear that it will not be shipped off so early or freely as usual, or should the prospect of interruption to our supplies from the Brazils assume a more decided character, our market is just in a state susceptible of a material effect by any occurrence favourable to an improvement.*”
—Cropper, Benson & Co. Liverpool, 11th Month 1st, 1822.

¹⁴ See the note, page 35.

therefore, was full 32 per cent. Few shipments, during that year, indemnified the shippers. Cases occurred, of Uplands, which cost 13 or 14 cents, being sold at $5\frac{3}{4}d.$ $6d.$ and $6\frac{1}{2}d.$ And the most melancholy fact is, that THE AVERAGE, *about the close of August, had actually sunk to $6\frac{1}{2}$ pence*, equal, at the above exchange, to $9\frac{1}{4}$ cents.¹⁵ It is easy to calculate how ruinous a

¹⁵ “The point of depression to which cotton sunk towards the end of August, (an average of $6\frac{1}{2}d.$ for Upland cotton,) excited considerable speculation, which has caused a re-action of about $1\frac{1}{2}d.$ in Upland and Orleans, and $1\frac{1}{2}d.$ to $2d.$ in Sea Island and Brazil cotton; but with the assistance of this advance, although some few bags of extra fine have been sold at $8\frac{3}{4}d.$ to $9d.$ Upland cannot yet be quoted beyond $6\frac{1}{2}d.$ to $8\frac{1}{2}d.$ Some of the best selections of the early part of the season, at a cost in Charleston of $18\frac{1}{2}$ cents on board, are now on the market, and go off with great difficulty at the latter price. The early speculators are now re-selling, so that we do not at present see any very clear prospect of material improvement in the price of cotton now on hand. As it regards the new crop, almost every thing as to price must depend upon its extent in America. It is pretty well ascertained, that the consumption of cotton at present, in this kingdom, amounts to 42,000 packages per month, of which at least 24,000 packages are of American growth. And it is also well understood, that great as this consumption now is, successful efforts are making, by the erection of new mills, and the enlargement of old ones, to increase it considerably. If, therefore, your growth cannot be increased beyond the produce of the last crop, the consumption will, in all probability, so far as American cotton is concerned, soon overtake the supply; in which event, an important advance might be reasonably calculated on. But as we believe the growth, both in the United States and elsewhere, can be greatly extended, we would not recommend shipments at prices beyond those warranted by our present currency, which we quote below, and for your government attach to our quotations the proceeds of each in cents, at $1d.$ freight, and an exchange at par.

“ Upland cotton at $6\frac{1}{2}d.$ a $8\frac{1}{2}d.$ will produce	8 a $11\frac{1}{2}$ cents
“ Orleans do. $7d.$ a $11\frac{1}{2}d.$ do. - -	9 a $15\frac{1}{2}$
“ Sea Island do. $10\frac{1}{2}d.$ a $16d.$ do. - -	15 a 24.”

Curwen & Hagerty, Liverpool, Nov. 1, 1822.

trade shipping cotton must then have been, when the average in this country was about 14 cents. The total loss in 1822, has been estimated at \$ 4,000,000 by some—and \$ 5,000,000 by others. The last is the more probable calculation. Let it be observed, that the average of Uplands of the year 1822, at the treasury, was 15 cents, which was at least three cents too high. This reduces the total value of the crop from \$ 24,000,000, the treasury estimate, to about \$ 20,000,000, and it is almost certain that the 147,000,000 lbs. exported in 1822, did not produce more than the 127,000,000 in 1821.

CHAPTER IV.

View of the cotton trade in 1823. Extensive speculations. Supposed failure of crop. Rise of price. Subsequent reduction.

I HAVE reserved the affairs of the last year for a separate chapter, as demanding separate consideration, and fixing the seal of confirmation on all the positions hitherto advanced.

A report had been spread on both sides of the water, that the crop in this country would fall far short of an average one—whether from a sinister view of speculation, or from a sincere belief that such was the fact, cannot be ascertained. Very plausible, but, as the event proved, very fallacious, estimates, calculations, and statements, were published by Cropper, Benson & Co. in the fall of 1822, by which it was made to appear, that the consumption gained so far upon the production, that the stock at the end of the then current year would be reduced to 286,000 bales, being 70,000 less than at the close of the preceding year. These statements acquired great confidence from the respectability of the house whence they issued.

The prices of cotton had, however, undergone no material change in the early part of the year 1823. The demand had never been brisk, but was steady—a slight temporary depression, succeeded by as slight and gradual a rise, occurred from time to time,¹⁶ till

¹⁶ “ With regard to future supplies from the United States, it has been argued here that *the low prices in this country will have the immediate effect of inducing the planters to transfer the labour of their negroes from the cultivation of cotton to other employ-*

about the close of May, when the opinion of a partial failure of the crops in this country, and also of a dimi-

“ments, and that a material decrease in the growth will be the necessary consequence. That this would ultimately be the result, provided the present state of things were to continue for a series of years, there can be no doubt. But when we consider the hopes of a favourable change, which the planter will naturally indulge, and the positive loss which he must foresee will immediately ensue on the abandonment of an old establishment, with the difficulties in providing the requisites to bring a new one into operation, we confess, we are more inclined to the opinion, that the planter, looking to his own immediate convenience, *will rather hold by his present establishment for a length of time, than resort to new schemes; and that the low prices of cotton, instead of having the effect of diminishing the quantity produced, will have a direct contrary tendency, by stimulating his exertions to extend the cultivation to the utmost of his means, in the hope that an increased quantity may compensate for a decreased price.* Such, we conceive, will be the natural result, though we are aware that no opinion formed in this country can be so accurate as one formed from local experience in the cotton districts.”—*W. M. Duncan & Son, Liverpool, 1st January, 1823.*

“Our cotton market continued dull and drooping till about the middle of the past month; the dealers and spinners had purchased on such a moderate scale for six weeks previously, that their stocks must have been in the course of this period reduced very considerably, and it was pretty evident that they kept aloof from the market so long, chiefly *under the expectation of there being considerable arrivals from the United States of the new crop*—disappointed in their expectation, (owing partly to the prevalence of east winds, which had tended to prevent supplies from getting in,) and compelled, by the reduction in their stocks, to come into the market, *they have, during the past two weeks, bought pretty freely.*”—*Charles Lean, Liverpool, 1st Month 1st, 1823.*

“The continuance of east winds throughout the most of the past month, has caused our import of cotton to be small; this circumstance has tended to give firmness to the market, notwithstanding the demand has, on the whole, been rather limited. The dealers and spinners have bought reluctantly, and only as much as their immediate necessities demanded; the stoppage of canal carriage, owing to severe frost, has rendered it difficult

nation of the culture, in consequence of the reduction of the price during the past year, became general in Great Britain. This idea was industriously circulated by speculators, and received considerable countenance from this side of the Atlantic, by the communications of persons who maintained a good understanding with the speculators on the other. Great activity was in consequence imparted to the market.¹⁷ Prices rose gradu-

“and expensive to get much produce sent into the interior, but they have been more influenced, in thus limiting the extent of their purchases, by *the expectation that there will be, on a change of wind, large arrivals from the United States, and that the prices will consequently rather decline again.*” Cropper, Benson & Co. Liverpool, 2d Month 1st, 1823.

“In our circular of last month, we remarked that the limited demand which had existed for some time for cotton, *arose chiefly from an expectation on the part of the buyers, that the supplies looked for being large, they would probably be enabled, when these arrived, to purchase on rather lower terms*; but that it was our opinion that these arrivals would not be so large, as to have necessarily a depressing effect on the market, and that probably an extent of demand would be experienced, which would take out of the market a very considerable proportion of what was immediately expected.” Cropper, Benson & Co. Liverpool, 3d Month 1st, 1823.

“The import of cotton into this port in the present year exceeds that of the same period of last year, by about 80,000 bags, and this excess is almost entirely from the United States of America. Advices, however, do state, that *the American crop will not very much exceed the growth of last year, and we believe some of our speculators have purchased under that belief*, although the difficulty of ascertaining beforehand the extent of a crop, has been frequently demonstrated.”—Thomas & John D. Thornely, Liverpool, 17th March, 1823.

¹⁷ “The rapid fall in the exchange in the United States, while the rates of freight have at the same time risen, does away with almost all profit on the shipments now coming forward; the scarcity of vessels also in the principal ports of shipment, must necessarily make our arrivals moderate for a time; and in the ge-

ally till they reached from two pence to two pence farthing per lb. or about 25 per cent. beyond the prices

“neral tenor of the advices from thence, *there is a tone of less confidence that there will ultimately be found any considerable increase in their crop over that of the previous year,—these considerations have a tendency, at the present moment, to give firmness to the holders. The demand also within the last few days has rather revived; and when the effect of the late heavy supplies has had time to subside, we think it not unlikely that rather better prices will be obtainable.*” Cropper, Benson & Co. Liverpool, 5th Month 1st, 1823.

“The confidence both of buyer and seller in a further advance, appears to increase, and judging from the present aspect of the market, *there seems every reasonable cause to look for a gradual and permanent improvement; as the season for extensive import draws to a close, and of increasing consumption is now at hand:—Daniel Buchanan, Liverpool, 30th May, 1823.*

“The large import of cotton in the first two weeks of this month, having led the buyers to expect some decline in the prices, but which the holders would not submit to, prevented any very extensive business being done, and the market, though steady, became for the time dull and rather depressed. A considerable change of opinion has, however, been produced, by *the recent accounts from America, generally agreeing that the last crop would not be nearly so productive as was at first supposed; which, with the little probability there is, of any extensive import this year from the Brazils, has caused several persons interested in the trade to think, that cotton has seen its lowest price for this season, and that, if the present increased consumption continue, the stocks on hand, at the close of the year, will be so greatly diminished, as to produce, in the meantime, a considerable improvement in prices. Several very extensive purchases, on speculation, have been made in consequence, and the prices, during the last fortnight, have gradually advanced from $\frac{1}{4}d.$ to $\frac{1}{2}d.$ on Upland, Orleans, and Alabama, and $\frac{1}{4}d.$ per lb. on Pernambuco and Maranham.*—Isaac Cooke & William Comer, Liverpool, May 31, 1823.

“For the last three weeks there has been a great deal of business doing in our cotton market at improving prices, arising from *an expectation, that the supplies from the United States will be less than expected.*”—Wm. & James Brown & Co. Liverpool, 7th June, 1823.

at the commencement of the bubble. Immense purchases were made at these advanced prices, in the

“Cotton.—We have this week again had a very animated demand for American cotton, both by speculators and the trade, and the prices of Bowedes, Alabama, and Orleans have again improved $\frac{1}{8}d.$ a $\frac{1}{4}d.$ per lb.” *Anthony Molineux, Liverpool, 7th June, 1823.*

“There has again been an extensive business done in cotton in the course of the past month. The advices which have of late been received from the United States, have expressed in general such a confident opinion that their last crop will prove to be much less than had at one time been anticipated, perhaps but little more than the previous years, that these accounts have tended very much to inspire confidence, on all hands, in the market here. Speculation has been alive, and the demand from the trade having also been good, while at the same time the majority of the holders were by no means anxious to sell freely, the prices have in consequence been undergoing a gradual advance, amounting in the course of the month to about $\frac{3}{4}d.$ a $1d.$ per lb. on most descriptions, with the exception of East India, which have as yet improved but little either in demand or price.” *Cropper, Benson & Co. Liverpool, 7th Month, 1st, 1823.*”

“Our future advices from America will now be looked to with much interest: if these fully confirm the opinions already received as to the probable extent of the crop, nothing is likely to occur to produce more than a temporary decline in the prices; on the contrary, there is, in such event, the fairest prospect of their going higher ultimately.”—*Idem.*

“Cotton.—In the early part of the week, the business done was very limited, prices however were fully supported, but on Wednesday an arrival from New York with accounts of the advance in price in the American markets, and the quantity of cotton coming forward being much less than had previously been anticipated, speculators were immediately on the alert, and purchased freely; since when we have had a good attendance of the trade, and the bulk of the sales for the last day or two has been made to them; in prices we are $\frac{1}{2}d.$ per lb. higher than the last week in almost all descriptions.”—*Anthony Molineux, Liverpool, 5th July, 1823.*”

“The recent advices from the United States give us reason to

months of June and July : but in August the speculators began to sell out, which excited alarm, and, in

“ expect large arrivals during the present month, but that *the supplies afterwards, compared with the same period last year, will fall off materially, and that the supply for the year will not much exceed that of the last ; should this prove to be the fact, (which will be ascertained in the United States before it can be known here,) we continue to think cotton will still advance as the truth is developed, yet supposing the accounts to be incorrect, we do not expect any material reaction, as prices are moderate, the consumption great, and expected to continue.*”—*W. M. Duncan & Son, Liverpool, 7th July, 1823.*

“ The consumption is computed at 11,000 bags per week, (being 600 per week more than last year,) and *the later advices from the United States having induced an opinion here, that the crops will prove short of what had been previously expected, prices gradually but steadily advanced during the whole of last month.* The sales amounted to 76,000 bags, of which 50,000 were to the trade, and 26,000 to speculators, and 1500 forwarded to importers in the country, so that our general stock has increased about 19,000 bags. The same general disposition to purchase cotton, continues with unabated spirit. Uplands and Orleans are eagerly sought after, as well on speculation as for the dealers, and prices were rated, Uplands, Sea Islands, and Orleans, $1\frac{1}{2}d.$ to $2d.$ and Brazils in the same proportion, higher than at the close of May.”—*Morall & Watson, Liverpool, 10th July, 1823.*

“ It is perhaps not a matter of surprise, that after such a very great extent of business as was done in the previous month, during which the prices also advanced materially, that there should be some re-action, or that the trade should be disposed to pause for awhile to see what *the effect on the market might be of the considerable supplies which have since arrived from America, exceeding materially what the advices from thence received but a short time before would have led us to expect.* The disappointment arising out of this circumstance may be said indeed to have produced for a time at least, an unfavourable change in the tone of feeling in the market, tending to depress it ; but on the whole the importers have shown but little desire to sell, deeming it better to wait with patience for that return of the demand which the wants of the trade would in time produce. Speculators have been more anxious to realize, and it is to the few sales thus in-

consequence, a considerable reduction took place. In September, some further accounts from this country

“judiciously made by them, more than to any other circumstance, that *the decline which has taken place in the prices may be ascribed*; that decline, however, has not been more in the course of the month than $\frac{1}{2}d.$ per lb. in American cottons generally, although in some instances a greater reduction may have been submitted in some particular qualities.”—*Cropper, Benson & Co. Liverpool, 8th Month 30th, 1823.*

“About the beginning of the past month advices arrived from New York, of a complexion more decidedly confirming the opinions previously received of *our supply from the United States during the remainder of the season being likely to be very small*, communicating also the information of the destruction of a considerable quantity of the growing crop in Louisiana, by the overflowing of the Mississippi; and stating generally that there has been in the aggregate less cotton planted this season; these accounts immediately infused great spirit into our cotton market, the sales during the first week of the month were 22,000 bags, in the next they amounted to 38,000 bags, about one-half on speculation: and the prices advanced almost daily, amounting in the course of the two weeks to $1\frac{1}{4}d.$ a $1\frac{1}{2}d.$ per lb.; the flame extended to the other markets in the kingdom, and the sales made in the course of one week in Liverpool, London, Manchester, and Glasgow, did not probably fall much short of 100,000 bags; even East India cotton, which had so long lain unmoved, partook of the general improvement, and advanced fully as much as other kinds. Since then the market has been rather languid, *large supplies, (larger than had been looked for,) arrived immediately afterwards. Speculators showed a desire to sell, and prices declined again about $\frac{1}{2}d.$ per lb.* The market however is now rather recovering from the depression, there is more firmness on all hands, and as our future imports must now be very trifling, even a moderate demand may be sufficient to relieve all who may be anxious to sell.

“Our arrivals in the same period have been 70,000 bags, of which 60,439 were American cottons. It will be seen from the following statements, that the total supply *already* received from the United States exceeds a good deal what we had in the whole of last year, the increase in the consumption has however been so very considerable, that any further supply which we are likely

of a deficiency of supply created a little activity in the market, and a small rise ensued. But in October,

“yet to receive cannot be such as to prevent our stocks from being reduced by the end of the year, *far below what they were at the close of last year.*”—Cropper, Benson & Co. Liverpool, 8th Month 1st, 1823.

“Prices have this year fluctuated much, commencing with $6\frac{1}{4}d.$ to $8\frac{1}{2}d.$ per lb. for Uplands, and attaining their highest point in July, when, owing to some very extensive speculative operations, the prices then current were $8\frac{3}{4}d.$ to $10\frac{3}{4}d.$ per lb. for this description. In consequence, however, of *heavy arrivals and the limited purchases by the trade, they again declined until the month of September*, when a re-action took place, and prices nearly equal to those of July were again obtained; since when prices declined to $6\frac{3}{4}d.$ a $9\frac{1}{4}d.$ per lb., but from some recent speculative operations and extensive purchases by the trade, have again advanced to $7\frac{1}{2}d.$ a $9\frac{3}{4}d.$ per lb. the prices now current.”—Anthony Molineux, Liverpool, 31st December, 1823.

“Cotton.—The feature in this article which most arrests our attention, is the great extent of import, which into the kingdom, amounts to *upwards of 670,000 bags*, and which exceed the large import of 1818, swelled by the unprecedented import of 227,000 East India. In looking over the items of import, contrary to every expectation, *the great excess from the United States particularly obtrudes itself, being 450,000 bags, against 330,000 in 1822*, which was larger than in any previous year; this, as might be expected, has produced an increase of stock generally, and of this description in particular, there being an increase of stock in the kingdom of 96,000 bags, and of American of 102,000 bags; *which forces us to this conclusion, that no dependence whatever can be placed on the estimates received from the United States of the quantity produced.* The imports from the Brazils, Demarara, and the West Indies, differ only a few thousand bags from those of 1822, but from the East Indies there is an excess of 19,000 bales. Wm. & Jas. Brown & Co. Liverpool, 31st December, 1823.

From the same, same date.

“There have been considerable fluctuations in prices during the present year, in May they were reduced to a low ebb, and the opportunity was taken by some wealthy houses, in this and the following month, of speculating largely, which *drove up prices of Bowed from 2d. to 2 $\frac{1}{4}d.$ per lb.*; from this they fell again in Au-

November, and December, the market became extremely dull—prices underwent a considerable depres-

“gust about $\frac{3}{4}$ d. per lb.; in September there was again a very spirited
 “demand, both by the trade and speculators, which caused an im-
 “provement nearly equal to the prices in July; from September to
 “the beginning of December, *the market was excessively dull, and de-*
 “*clined gradually to within $\frac{3}{4}$ d. per lb. of the lowest point in May.*
 “and although there has been a better demand this month, and some
 “little improvement in price, they are only $\frac{3}{4}$ d. to 1d. per lb. higher
 “generally than at this time last year. With respect to future
 “prices, the present heavy stock it is probable, may prevent any
 “immediate advance; but the increased consumption the present
 “low price, and *the probability of some little diminution in the*
 “*production of the United States this year, and of which it is sup-*
 “*posed that rather more than the usual quantity will be shipped*
 “for the continent of Europe, as the stock there is known to be
 “generally small, are strong arguments against any considerable
 “depression. *The export of twist this year has been twenty-five*
 “*millions of pounds against twenty-seven millions in 1822. A new*
 “*description of cotton has been received here lately; it is from*
 “*Egypt, and promises to be a very useful kind; the staple is long*
 “and fine, and though of rather a muddy colour, and interspersed
 “with a little dirt at present, it is probable that a further acquaint-
 “ance with its growth and new methods of cleaning may remove
 “those defects. Various opinions have been formed of the extent
 “to which the import of this description may be carried, but the
 “information generally received has been too vague to authorize
 “the statement of any specific quantity, it is supposed, however,
 “that if the present prices should be maintained, it may amount
 “to 20,000 bags.”

We have to notice “an import of 668,000 packages, exceeding
 “that of last year, (531,100,) by 136,300 packages, together with
 “an aggregate stock of 331,000 and the stock of American cotton,
 “(184,000,) now in the ports of the kingdom, but the most remark-
 “able feature in this supply is, that we have received 120,000
 “packages more from the United States than was ever before re-
 “ceived from that country, which was certainly not expected, and
 “is in direct contradiction of the estimates contained in some of
 “the most influential and distinguished circulars issued from the
 “place. Upon those estimates speculations have been predicated
 “here, which have caused an *unnatural and ruinous advance in*

sion, and at the close of the year, were within three farthings as low as at the lowest point of depression

“ America, and which must prove highly prejudicial to all early shippers, as well as to many speculators in this place. It now appears by the extent of the supply, that prices have been maintained above their natural level by artificial expedients and speculation ever since the middle of June last ; and although they may be supported by the same means, yet every reasonable calculation, according to the data before us, would lead to an opposite conclusion. We are aware that discouraging advices are not well received in the United States, but when prospects appear so gloomy as they do to us at present, we feel on all occasions constrained to furnish them. There is no reason to expect less cotton next year, than we have received this from any other country than the United States; on the contrary, there is every reason, resulting from the encouraging operations of this year, to expect more from India, Egypt, Brazil, and Demerara.

“ From Egypt (a new source) we have this year, for the first time in any quantity, received about 2000 packages. The staple of this cotton is nearly as long as that of Sea Island, and it is quite as silky, though not so strong ; about 700 bales of it have been sold in this place at 11d. to 14½d. From the United States we will look for less ; we will say that your crop will fall short of the one just received 40,000 bales, and that you will retain 40,000 more in the country than you have done this year, which would make 80,000, and leave 368,000 packages to be received from the United States in 1824, say

- - -	368,000
“ To which add our present stock of American cotton	184,000
	<hr/> 552,000

“ And from which deduct the consumption of 1824, which we will put down at 10 per cent. more than has been consumed this year

- - - - -	394,000
-----------	---------

Thus showing a stock at the end of 1824, of	-	158,000
---	---	---------

“ packages of American cotton, after making the largest allowance for deficiency, &c. on your side of the water. It is true that new mills continue to be erected, and we still believe in a gradual and extensive increase of consumption ; but the supply of the raw materials has come forward faster than was expected, and will now, in all probability, for some years to come, more than

in May. These fluctuations produced pernicious consequences in Great Britain and the United States. In both countries severe losses were sustained, and some heavy bankruptcies took place.

Nothing short of insanity can prevent the planters from profiting by these conclusive facts. It appears that the mere opinion of a reduced crop raised the price of cotton $2d.$ to $2\frac{1}{4}d.$ equal to about 4 cents per lb. in about six weeks—and there can be no doubt, that had there been an actual reduction of about 30 or 40,000 bales, the rise would have reached three pence, equal to $5\frac{1}{2}$ cents per lb.

I have prefixed a full detail of the whole operations of the year from the same indisputable authorities of which I have availed myself in the preceding chapters—and have been still more copious in my illustrations—as I deem the experience of the last year, if possible, more conclusive than that of those which preceded.

“keep pace with the consumption ; and if under such circumstances, “a permanent advance does take place, we can only say that these “data afford no reasonable ground to expect it.”—*Curwen & Haggarty, Liverpool, 31st December, 1823.*”

“The present prices of this staple will produce at $1d.$ per lb. “freight, and at the par of exchange, the following returns, viz.:—

Upland Cotton.									
				Cents.					Cents.
7½d. will produce	-			9.95	9½d.	-	-	-	13.11
8d. - - -	-			10.74	10d.	-	-	-	13.90
8½d. - - -	-			11.53	10½d.	-	-	-	14.68
9d. - - -	-			12.31	11d.	-	-	-	15.47

“Upon Orleans, owing to the loss of weight being greater, nearly “an eighth of a penny more should be deducted from the proceeds. “Our present quotations for Sea Island and Upland Cotton are $1d.$ “and for Orleans and Alabama $\frac{1}{2}d.$ per lb. above those of 1st of “January, 1822.”—*Archibald Gracie, jun. Liverpool, January 1st, 1824.*

As this is the most important subject that can occupy public attention, and as prejudices the most unfounded prevail respecting it, I shall present various views of the operation of the rise that took place and what might have been expected, had the opinion respecting a scarcity been well founded.

The export of last year was 173,723,270 lbs. at, I will			
suppose, an average of 13 cents per lb. ¹⁸	-	-	\$ 22,584,025
Domestic consumption, 36,000,000 lbs. at 13 cents			4,680,000
<hr/>			
Total	-	-	\$ 27,264,025
<hr/>			

Suppose the crop diminished 33,700,000 lbs.; the quantity exported with that consumed at home, to be only 176,000,000 lbs. and the actual rise of four cents per lb. to have affected the whole, which, of course, would make the price 17 cents, the amount would be \$ 29,920,000

Thus it clearly appears that by the above reduction of the crop, the amount would have been actually increased - - - - - \$ 2,600,000

But suppose again, as is perfectly rational, that in the event of a short crop, the advanced price had progressed to three pence, or five cents and a half per lb. Let us see the result.

176,000,000 lbs. at 18½ cents - - - - - \$ 32,560,000

That these are not wild speculations, but calculations grounded on the uniform experience of the pernicious fluctuations in the cotton market for years, will not be denied by any man who has seriously considered the subject. In one of the annexed extracts, this doctrine is held out distinctly by Cropper & Ben-

¹⁸ This is higher than the treasury returns, which assume an average price of 11 cents for Uplands, and a total value of only \$ 20,445,320, both of which I believe too low. But whatever may have been the real average, this calculation is not affected by it—as its object is only to state the effect of the rise of price, which produces the same result, whether the average price was fifteen or five and twenty cents.

son, who state, that if more of the staple were consumed in the United States, the planters "MIGHT SELL "THEIR SURPLUS COTTON AT ANY PRICE."¹⁹ This single line contains entire volumes on the subject.

I will now hazard another calculation, and suppose, instead of a diminution of the crop of 33,000,000 lbs. that that additional quantity had been consumed in this country, and that the rise in price had been only 4 cents, making 17 cents per lb. for about 209,000,000 lbs. the entire crop of 1823; the amount would have been - - - \$ 35,530,000

These calculations, grounded on the impregnable basis of strong, recent, and well-known facts, display in the clearest light the errors of our policy. But while—the representatives of a great nation are wasting their precious time, and the public money, in prolix debates about paltry additions to the existing duties, more especially about that on

¹⁹ "The planters are giving, in some cases, forty cents for cotton bagging. This they might make themselves from cotton, as is done in the Brazils, with great advantage. They might also make their own clothing, especially that of the negroes. If they changed their system in this respect, and grew and made every thing they wanted, *they might certainly sell their surplus cotton at any price.* But it must be borne in mind that they would have much less to sell. They have the spinning jenny, in some parts of North Carolina, amongst the farmers. Weaving is carried on in almost every part of the world: and a little consideration would show what advantages they would have in manufacturing.

"The bale of cotton, which the planter can only sell for 4*l.* 10*s.* cannot be delivered to the British manufacturer for less than 9*l.* and when to this the expense of manufacturing is added, the whole cannot be conveyed back to the planter without an addition of *full fifty per cent. in duty and profit.* Then we may fairly say, that in exporting cotton, and importing manufactured goods, *the planter pays 100 per cent. on the wages paid in England: and he would gain an advantage to this extent, if he manufactured them at home.*"—Cropper. Benson & Co. Liverpool, th Mo. 27, 1822.

cotton bagging, an article which, as soon as the supply could be rendered commensurate with the demand, (which would be the case in one or two years,) ought to be absolutely prohibited, according to every principle of sound policy and regard for the interests of the western states, victims of the ruinous system we pursue, which cannot fail, if so pertinaciously persevered in, to produce ultimately the most destructive consequences to the union; they shut their eyes to the suicidal policy whereby they immolate their own interests and those of their constituents, and of the nation at large, to the illiberal jealousy of their fellow citizens engaged in manufactures. So wayward and destructive to themselves is the policy they pursue, that one might be tempted to believe, they disregard their own sufferings, provided they can depress the obnoxious manufacturers. I am far from believing this to be the case. But I contend that on a superficial view of the subject it might wear that appearance.

It may be said that in the event of increasing the consumption here, as above, there would be an extraordinary diminution of demand in Great Britain. This is a very common, but a very erroneous idea. Let us examine the subject.

The consumption of Great Britain last year, was,	bales 532,630
Of which we received in manufactures only about	35,000

Leaving a balance of	-	-	-	-	497,630
----------------------	---	---	---	---	---------

Hence it appears that if our market were entirely annihilated, so that we did not consume a single yard of her muslins, or a pound of her twist, Great Britain would require for her other markets 497,630 bales.

It may be well worth while to consider how a planter, with twenty field negroes, each raising 500 lbs. of cotton, that is, 10,000 lbs. per annum, would be affected by such a system of measures as is here point-

ed out, which, by somewhat diminishing production, or at least preventing its increase—at the same time, increasing domestic consumption, would raise the price four cents per lb. a case which occurred, as we have seen, in July last, in consequence of a supposed reduction of crop.

He would gain 4 cents per lb. on 10,000 lbs. - - \$ 400

Suppose his expenses for cotton bagging, and other articles subject to new duties, to be \$ 400 dollars, and that the prices would be enhanced 25 per cent. he would lose - - \$ 100

This loss, moreover, would be but a temporary one—for the experience of coarse cottons, nails, and other articles, proves, in the words of Alexander Hamilton, that “*the domestic competition soon reduces the price to the minimum of a reasonable profit on the capital employed.*”

It is difficult to decide which is the most extraordinary circumstance—that our citizens should not themselves have the sagacity to discern their true policy in this case—or should pertinaciously refuse to profit by such sound advice as appears in the preceding notes, coming from such impartial sources.²⁰ History affords

²⁰ Since the preceding part of this pamphlet was written, more recent advices have arrived from Great Britain, tending to confirm the doctrines here maintained.

“*A diminution of import, real or anticipated, or farther reduction in the prices, seems to be the only ground upon which the interference of the speculators can again be expected; and although a few have realised good profits by their investments last year, those who did not sell, and all the recent importers, are likely to be subjected to considerable losses, not only by what is now held, but by what may be imported for some time to come.*” Bolton, Ogden & Co. Liverpool, 8th January, 1824.

“*Cotton.*—We have this week had a good attendance of dealers and consumers, and during the last three days their purchases exceed 6000 bags; the anxiety, however, of holders generally to effect sales, has further reduced the prices of Bowed and Alabamas $\frac{1}{4}d.$ a $\frac{3}{8}d.$ and Brazils and all other descriptions $\frac{1}{4}d.$ per lb.” Anthony Molineux, Liverpool, 17th January, 1824.

scarcely any example of such mistaken policy in the sacrifice of personal interest in so plain a case.

There is only one way of accounting for this procedure. A rooted prejudice against, and an inextinguishable jealousy of, their fellow citizens engaged in manufactures, pervade the whole body of the cotton and tobacco planters with few exceptions. They are haunted day and night by fears of imposition from this class—and appear to have only one object, to guard themselves against this imaginary evil. In this attempt, they lose sight of the distress and suffering they are inflicting on themselves and families, and the depreciation of the value of a staple, which, but for our most absurd and wretched policy, might have been steadily maintained at 20 to 25 cents per lb.

The intense distress felt throughout the southern states since the reduction of the price of cotton in 1819; and which now prevails extensively there, may be fairly traced to an overweening opinion of our own superior sagacity—and an utter disregard of the wisdom and experience, as well of our cotemporaries, as of the nations that have preceded us. With their wisdom and experience to guide us, our career would lead to a high grade of prosperity and happiness; and a statesman of moderate talents, under such auspices, would conduct his country to higher destinies than a Colbert, a Sully, or a Frederic, obstinately resolved to shut his eyes to the lessons of history, and to make experience for himself.

The Dutch, once the most commercial and prosperous nation in the world, having dispossessed the Portuguese of the Spice Islands, soon found that the markets were easily glutted with their precious products, and that, of course, the prices experienced great and ruinous reductions. With a profound policy, they

adopted an infallible plan to guard against consequences so pernicious to their commerce. Whenever the crops were too abundant, they destroyed the surplus quantity,²¹ and thus constantly preserved the articles at a price which amply remunerated the cultivators.²²

This one fact and its results, afford the most unanswerable condemnation of our system, which is the antipodes of that of the Dutch. From the commencement of our government to the present hour, all our measures have had an invariable and unfailing tendency to increase the number of cultivators of the soil, and of course its productions.

An alarm has been sounded throughout the southern states, by Judge Cooper, that if the United States impose any new duties on British manufactures, Great Britain will avenge herself by raising up

²¹ Some persons have absurdly supposed, when I have heretofore stated this curious fact, that I recommended burning the superfluous cotton produced in the southern states. No such idea ever entered my mind. I only cite this case to establish the transcendent impolicy of a train of measures all combining to multiply this great staple—and the wisdom of such an encouragement of manufactures as would draw off from agriculture generally the thousands whom we have been for thirty years regularly and unceasingly driving from the loom, the shuttle, the anvil, the saw and the mallet, to the plough and the harrow. Thus we should improve the condition of the farmers, and remove all temptation to them to invade the province of the planters. For every dollar additional which would be paid by the planter, in consequence of the adoption of this system on the highest scale of taxation ever contemplated by the warmest advocate of manufactures, he would gain four by the advance of the price of his produce.

²² Sir William Temple, in his account of the trade of Holland, states, that he was informed that at one time there were three heaps of nutmegs burned, each of which was large enough to fill a small church.—*Observations on Holland*, page 219.

rivals in the East Indies and Brazils, and laying restrictions on our cotton and tobacco.

“Those who live without buying, must live without selling. If *we must not purchase the manufactures of Great Britain, the latter will not purchase our cotton, rice, or tobacco.*²³ She has nothing to do, but by means of moderate imposts on our commodities, to encourage the Brazil cotton of her ancient ally, Portugal, and to permit the tobacco trade of the Crimea; and where then are the staples of Virginia and the Carolinas to be sold?”

“I appeal to men conversant with the subject, that she can supply herself in *half a dozen or ten years* elsewhere; with rice from the East Indies, cotton from Brazil, and *tobacco from the Crimea*. She does not, because she purchases the raw material with the produce of her warehouses: and the trade is mutually *gainful.*” *Judge Cooper’s tract on the alteration of the tariff, p. 14.*

Courtesy commands to admit that the judge must have believed in the probability of this result—and yet, if we had not such constant evidence of the extent to which the support of a favourite hypothesis will lead a writer, it would be impossible to conceive how such an idea could have entered the mind of any rational man.

Our imports from Great Britain in 1822 and 1823, exclusive of specie and bullion, were	-	-	§ 62,343,292
Our exports to her for the same period were	-	-	45,183,341
Leaving a clear balance of	-	-	§ 17,159,951

The extent of this great balance is not the most important item of the advantages of the trade to Great Britain. Of the whole § 45,000,000 of exports, there

²³ I might make large comments on the absurdity of assuming as a ground of argument, that an increase of duties, 5, 7½, or 10 per cent. is tantamount to a determination not to “*purchase the manufactures of Great Britain*”—than which a more illogical inference was never drawn. But I deem it unnecessary. If reason be allowed fair play, such an argument will be rejected instantaneously.

were at least \$ 42,000,000 employed to support the industry of her population, and imperiously necessary for the maintenance of her manufactures, the basis of her “wealth, power, and resources”—nine-tenths of which exports she could not dispense with. Whereas the great mass of what we received from her, was composed of articles elaborated to the last degree of perfection, and increased in value three, four, five, and ten-fold. With three-fourths of them we could by a proper system supply ourselves. She derived from our imports of her merchandise at least \$ 15,000,000, in customs and excises, towards the support of her government, and by our cotton made an actual national gain of above \$120,000,000. Nevertheless, she will not receive in payment a single barrel of rye, wheat, or flour, unless in the danger of a famine. Of the articles, moreover, which we receive from her, two-thirds at least have the direct effect of paralyzing the industry, and blighting and blasting the prosperity of our citizens. Thus the trade is transcendently beneficial to her, and pernicious to a large portion of our population; and yet we are gravely told, and enlightened citizens are found credulous enough to believe the tale, if we reciprocate prohibition, not by prohibition, but by an increase of duties, 5, 7½, and 10 per cent. that she will raise up hosts of rivals to ruin our planters! How far credulity may be carried, Johnson’s belief of the Cocklane ghost proves—but the belief of this tale is rather more strange. In the former case, superstition was in operation. But this is a case of personal interest, in which mankind are generally clear sighted.

It appears, however, that Peru and Egypt have actually become our rivals in the cotton trade—and there can be no doubt, as the article of cotton is of such certain sale, and commands cash so readily, that they

will enter the lists on a large scale. The importation from Egypt into Great Britain last year, was only 2019 bales—but it is expected to run as high as 20,000 this year. The staple is as long and as silky as the Sea Island—but the price is below the second quality of that description. It sold on the third of January, at 11*d.* and 11 $\frac{1}{4}$ *d.* for fair to good, when the same quality of Sea Island sold at 13 $\frac{1}{2}$ *d.* and 14*d.* Upland at 8 $\frac{5}{8}$ *d.* to 9*d.* and New Orleans at 9 $\frac{1}{2}$ *d.* to 10 $\frac{1}{2}$ *d.* Egypt cannot fail to prove a formidable rival. Peruvian cotton was sold in Liverpool, Nov. 22, 1823, at 10*d.* a 10 $\frac{1}{2}$ *d.*

But what is the course of conduct which sound policy dictates in this state of things? Is it to continue the deleterious practice of depressing manufactures—forcing manufacturers to become farmers—and farmers to become planters, to which all the calamities of the country are due? To aid the Brazilians, the Egyptians, the East and West Indians, and the Peruvians, to increase the excess of production over consumption—to add to the glut of the foreign markets, and not only to prevent a rise, but to insure a reduction of price? Surely not. Sound policy most imperiously urges the citizens of the southern states, by their regard for their own interests and those of their families—(I forbear, according to my promise, to press any of the cogent national considerations which arise in my mind)—to make as large a domestic market as possible—and not only prevent the necessity of farmers becoming planters in future—but to hold out inducements to those farmers who have, for two or three years, taken that course, to return to their former avocations. The most deadly enemy of the cotton planters could not devise a more certain means of increasing their distresses, than the system they have steadily pursued ever since the close of the war, the ruinous operation of which is as unerring as fate.

CHAPTER V.

Pernicious operation of our present system on the interests of the tobacco planters and growers of grain.

HAVING, as I trust, established the utter impolicy of our system as regards our cotton planters, I proceed to detail its effects on the tobacco planters and growers of grain, by glutting the foreign markets, the inevitable consequence of the depression and ruin of the manufacturers, and neglecting the sound advice of Adam Smith—

“Whatever tends to diminish in any country the number of artificers and manufacturers, tends to diminish the home market, the most important of all markets for the rude produce of the land ; and thereby still further to discourage agriculture.”

This maxim, one of the soundest in the whole range of political economy, is a standing reproach to our policy, and a standing eulogium on that of Great Britain. Ours has, at every stage of our progress, been in direct hostility with it. We are constantly, I once more repeat, converting manufacturers into farmers—and farmers into planters—and thus “overwhelming all the markets” in the world with our productions. Whereas, this is almost the only important maxim of the Wealth of Nations, which is undeviatingly carried into operation by Great Britain. It ought to be engraven in letters of gold over the chair of the speaker of the house of representatives, and that of the president of the Senate.

Our export of tobacco in the year 1817 was 62,365 hhd., which, by the treasury returns, averaged 148 \$ dollars per hhd. and amounted to . . . 9,230,020

Next year we increased the quantity to 84,337 hhd. and glutted the markets so completely, that the price fell to 117 dollars, and the amount was only . . . 9,867,429

Thus. while we increased the quantity above 33

per cent. we increased the amount only about 7 per cent. This is somewhat like realizing Dean Swift's arithmetic.

The quantity exported to Great Britain in 1818 was more than double that of the preceding year. In 1817, 14,500 hhds.—in 1818, 31,200. When the influence of the British markets on our staples is considered, this fact will fully account for the reduction of price.

Distress spread almost universally throughout Virginia in 1818–19, in consequence of the heavy reduction of price. Most of the shippers were severely crippled—many of them entirely ruined. The losses of the planters, in consequence of the bankruptcy of the shippers, were immense. Some of the first families were reduced to a state of extreme embarrassment and distress.

In 1819, our export was 69,427 hhds.—the price \$110— \$
and the amount - - - - - 7,636,970

In 1820, we once more glutted the foreign markets by shipping 83,940 hhds. The price fell to about \$95—
and the amount was only - - - - - 7,968,600

Here is an increase in the quantity of about 22 per cent. and an increase in the amount of only $4\frac{1}{2}$ per cent.

In 1821, we exported 66,858 hhds. which is the maximum that the consumption of Europe requires. But the glut of the preceding year operated to reduce the price to about $84\frac{80}{100}$ —and the amount was - \$ 5,648,962

In 1822, we again glutted the markets, by an export of 83,169 hhds. which produced a further reduction to about $74\frac{80}{100}$.²⁴ The proceeds were - - - 6,222,838

Here is an increase in the quantity of about 25 per cent. and an increase in the amount of only 11 per cent.

²⁴ “Fine Virginia leaf, in consequence of its scarcity, is as high as—
“at this time last year, whilst common qualities, both of Virginia
“and Kentucky, are $\frac{1}{4}$ to $\frac{1}{2}$ per lb. lower, and Kentucky leaf in particular is extremely difficult of sale, as few of our manufacturers
“will use it.” W. & J. Brown & Co. Liverpool, 31st December, 1822.

Last year we exported a still greater quantity, no less than 99,009 hhds. at about \$ 63.48 per hhd. which \$
amounted to - - - - 6,282,672

Thus an increase of about 20 per cent. in the quantity, produced an increase of only one per cent. in the amount! For 16,840 hhds. we received but \$ 59,834!!

What an astounding fact! What a mortal stroke at the policy of Mr. Garnet, noticed below, to increase our imports, that our exports may be likewise increased! What a lesson on political economy! Will our statesmen profit by it? It is, alas for the country! improbable.

Here we see a regular reduction of the price from year to year. In 1823, it was not near half what it was in 1817—a little more than half what it was in 1818—and not two-thirds of the price of 1819.

The markets of Europe are glutted with this staple, which is a complete drug every where, and likely so to continue, except the finer qualities, which are scarce. The statements of the Liverpool merchants hold out the most gloomy prospects for the present year, in consequence of the extraordinary surplus in all the foreign markets. The stock in Europe, at the close of the last year, was 75,000 hhds. being 10,000 hhds. above one year's consumption.²⁵

"The importations of tobacco into the kingdom generally last year, are about two-thirds more than that of the former year—and the importations into Liverpool nearly double. The stock in Liverpool is about 1600 hhds. and in the kingdom generally about 9000 hhds. more than at the commencement of last year." *W. M. Duncan & Son, Liverpool, January 1st, 1823.*

²⁵ "Tobacco is very unsaleable, and lower than we have ever before known it. The exports from the United States have so overwhelmed every market in Europe, that there is absolutely no outlet for exportation from this country, and no prospect of the stock on hand being consumed in it. We have upwards of 31,000 hogsheads in Britain and Ireland, whilst the consumption does not exceed

The stock of American tobacco in Rotterdam, on the 1st of January, 1823, was 6433 hhds.—and on the first of the current year was 10,156. The consumption of last year was 13,194 hhds.

The stock in Amsterdam Jan. 1st, 1823, was 5516 hhds.—and on the first of the current year, 14,186! The consumption of last year 10,353.

“14,000 hogsheads! The stock on the Continent is estimated at 44,000, making a total stock in Europe of 75,000 hogsheads, being 10,000 more than one year’s consumption! Under such circumstances, immediate improvement in this article would appear impossible.” *Curwen & Hagerty, Liverpool, Dec. 31, 1823.*

“Virginia leaf, of good and fine quality, continues to sell pretty readily, and at high prices, principally for shipment to Ireland; middling qualities are also become more saleable; but for the low descriptions, there is no demand either for exportation or for home use.” *Cropper, Benson & Co. 11th Month 29th, 1823.*

“The consumption has not been keeping pace with the growth; and unless the injury sustained by the last crop in Virginia and Maryland, cause a diminution in the supply, the general prospects do not seem to be favourable, more especially for the inferior qualities, which, of all descriptions, are abundant every where.” *Cropper, Benson & Co. Liverpool, 1st Month 10th, 1824.*

“The state of tobacco during the month has been so very flat and uninteresting as to admit of little comment; the sales, which have been principally to meet the wants of the Irish market, amount to 730 hhds. and the import during the same period has been 939 hhds. In London the article has likewise been almost entirely neglected—the operations there have been confined to two recent sales by auction, which went off at a decline of $\frac{1}{2}d.$ a 1d. per lb. upon previous quotations.” *Archibald Gracie, junr. Liverpool, 31st January, 1824.*

“The sale for tobacco is very heavy, and the prices quoted are in a great degree nominal; the only demand experienced, (which is however very limited,) is for prime leaf and stemmed, for the home trade.” *Daniel Buchanan, Liverpool, 7th February, 1824.*

“Tobacco is uncommonly flat and heavy, and the few sales effected are at very low rates, even under my quotations, when pressed on the market.” *Daniel Buchanan, Liverpool, 14th February, 1824.*

Thus there was more on hand at the commencement of the present, than was consumed during the whole of last year.

Yet Mr. Garnet, wholly disregarding this appalling state of things, as regards the staple of his state, as well as cotton, lately contended in Congress, that the reason of the decline of our exports was the high duties to which foreign goods are subject! and that if they were reduced, it would increase the demand for our staples abroad! notwithstanding the strong and palpable facts, that our imports exceed our exports—that all the markets in the world, wherever our productions are received, are almost constantly glutted with them—that, in consequence of this glut, the prices have been regularly and most ruinously reduced—that the quantity of our cotton on hand in Great Britain, at the close of last year, was double what it was at the end of the year before, and almost two-thirds of the quantity consumed of our crop in 1823—and that there is in that country, about 125 per cent. more of our tobacco, than one year's consumption! When the legislators of a great nation enter on the performance of their duties in a state of mind so wholly unprepared for the discharge of those duties, and with views so radically unsound, it cannot be wondered at, that general distress overspreads the face of the land—and that the true panacea for our evils, the building up a domestic market for the productions of the earth, rejected by those European powers who supply us with so large a portion even of our clothing and other necessities, is as ardently opposed as it was during the wars of the French Revolution, when the European demand for our great staples, prevented the natural consequences of our unwise and pernicious system from developing themselves.

FLOUR.

I proceed to present a brief sketch of the operation of our system on the grain growers, on whose fortunes it has produced effects as disastrous as on those of the cotton and tobacco planters.

The export of flour from the United States, in 1819, was 750,660 barrels, which was about the quantity necessary for the few markets open to this article. It accordingly brought a high price, viz. eight dollars per barrel, and produced - - - - \$ 6,005,280

The conversion of thousands of manufacturers into farmers in 1818 and 1819, increased the cultivation, and of course the surplus in 1820; the latter above 56 per cent. The export rose to 1,177,036 barrels, which so completely glutted the markets every where, that the price fell to about \$ $4\frac{5}{10}$, and the proceeds were - - - - \$ 5,296,000

Here is a practical commentary on our system, which proves to the world how completely it blasts the fortunes and happiness of those of our citizens, "*the many*," whom it professes to guard against "*the few*." An increase of 56 per cent. in the quantity produced a decrease in the amount of nearly twelve per cent. But this is far from being the extent of the evil to the farmers. The quantity of flour purchased in the United States, for domestic use, is at least 2,000,000 barrels per annum, all of which underwent the same reduction, equal to \$ 7,000,000. I might safely rest the merits of the case on this single fact.

In 1821, the import was reduced 120,000 barrels, being only 1,056,119 barrels. But the supply was still so far beyond the demand abroad, that the price fell once more. It averaged, according to the treasury returns, only about \$ $4\frac{7}{10}$ —and the proceeds were \$ 4,298,000

These reduced prices discouraged our farmers—and induced many of them to abridge the cultivation of grain, and turn their attention to cotton and tobacco. Accordingly the surplus for exportation was reduced

to 827,865 barrels in 1822. This was about the quantity required abroad—and therefore the price rose to \$ $6\frac{16}{100}$, and the proceeds were - - \$ 5,103,280

Here a diminution of the quantity above twenty per cent. produced an increase of the amount nearly twenty per cent.!

In 1823 the export was 756,702 barrels, which averaged about \$ $6\frac{55}{100}$ and produced - - \$ 4,952,373

It will place this matter in a striking point of light, to exhibit the results of five years, two of great, and three of moderate exportation.

In 1819, 1822, and 1823, we received for 2,335,227 barrels of flour - - - - \$ 16,060,833
1820 and 1821, we received for 2,333,155 only 9,594,000

These three lines deserve the most attentive consideration from our statesmen. The quantity exported in the two periods, differed only about 2000 barrels, but the proceeds differed \$ 6,400,000 dollars! So much for the conversion of manufacturers into farmers! for glutted markets! for the let-us-alone policy!

It is impossible to find a more complete condemnation of any system, than these few statements afford of ours. As we increase the quantity, we diminish the amount, and vice versa, as we diminish the quantity we increase the amount. In spite of those admonitory facts, the uniform and unfailing tendency of our policy has been to increase our surpluses and diminish their value—and the object of this policy, forsooth, is for the benefit of our farmers! To cap the climax, many of the farmers have been among its warmest advocates. A large portion of the most enlightened among them, have recovered from this delusion.

Should it be asked how the disastrous reduction of price above stated, in the year 1820, was produced by our present policy? I reply, that it must be unhesitatingly admitted, that the depression of ma-

manufactures—the bankruptcy of the proprietors—the occlusion of the establishments—and the consequent discharge of the working people, must necessarily produce an increase of the cultivators of the soil—as many of the people thus divested of employment betake themselves to agriculture—and are converted from customers into rivals. Now, in 1818 and 1819, there were 30,000 manufacturers, with families averaging three each, in the whole 120,000 souls, divested of employment, a large proportion of whom took the direction above stated. And it can scarcely for a moment be doubted, that the quantity they ceased to purchase from the regular farmers, added to the surplus of their own production, accounts satisfactorily for the increased export of flour in 1820, and of course, for the reduction of price.

Let it be observed that in this calculation I take no notice of the all-important loss of a market for raw materials, hides, skins, timber, wool, flax, hemp, &c. for fuel, and garden stuff; for the produce of the dairy, and the great variety of articles for which manufacturing establishments afford a ready market to the circumjacent farmers—and which may be rated at least equal to the other loss.

It would greatly add to the impressive effect of these views, to take into consideration the bar to the accession of immigrant manufacturers, with their families, who, by the policy of “buying cheap goods abroad,” are prevented from visiting our shores, after which there is such a general yearning in Europe, and on 20,000²⁶ of whom

²⁶ This number will not be regarded as improbable, when it is considered, that in the year 1817, according to Dr. Seybert, 22,240 immigrants arrived in ten ports, of whom nearly 15,000 arrived in New York and Philadelphia; and that from March 2, 1818, to

we might safely calculate annually, provided their respective occupations were adequately protected. They would consume largely of those bread-stuffs which are rejected by Europe, and of the other articles and raw materials above specified.

I will assume that their food and drink would average 40 dollars per annum—that one-sixth of them would be working people, the remainder women and children—and further, that the domestic raw materials consumed by the working people, would average one dollar per day, or \$ 300 per annum—and state the result.

Food and drink of 180,000 persons at 40 dollars per annum	- - - - -	\$ 7,200,000
Raw materials for 30,000 persons, at 300 dollars per annum	- - - - -	9,000,000
		<hr/>
		\$ 16,200,000
		<hr/>

This amount exceeds the whole of our agricultural exports for the average of the two last years, (except cotton and tobacco,) which was only - - - \$15,123,748

December 11, 1819, there were registered at the mayor's office, in New York, nearly 19,000 immigrants.

7539 English.

6062 Irish.

1942 Scotch.

922 French.

2464 of various nations.

18,929

The mayor stated that not above two-thirds of those that arrived were registered. This would make the whole number, within the time specified, about 28,000—which is at the rate of about 15,000 per annum for one port. Under a proper system of encouragement, therefore, it is highly probable that the number in all our ports would be at least 30,000 per annum; but I assume only 20,000. What a source of “wealth, power, and resources,” is here cut off by our policy!

CHAPTER VI.

Operation of our system on the merchants. Paternal protection of commerce by congress. Partial policy of the merchants. Pernicious consequences to themselves.

I PROCEED to close this little work by a chapter on the effects produced by our system on the prosperity of our merchants, who have been literally its fathers, and who are fairly entitled to all the praise it deserves, if meritorious, and all the censure, if pernicious. I preface it by a view of the policy of the government at the commencement of its career, towards commerce and manufactures.

In 1789, there were in congress a number of the most intelligent merchants that this country ever possessed, among whom were Robert Morris, Thomas Fitzsimons, and George Clymer. They devised a most admirable system for the protection of commerce—of which I shall only state the three principal features.

The duties on teas imported in American vessels, averaged only 12 cents per lb.—those in foreign vessels, 27 cents. This at one stroke, cut out foreign vessels from any trade between this country and China, and gave an exclusive privilege in it to our own merchants.

To display the effects of this measure, I state its operation on a cargo, consisting of 20,000 lbs. each, bohea, souchong, hyson, and hyson skin teas.

	Duties in American vessel.		Duties in Foreign vessel.	
20,000 lbs. bohea -	-	12,000	-	30,000
20,000 lbs. souchong -	-	20,000	-	44,000
20,000 lbs. hyson -	-	40,000	-	90,000
20,000 lbs. hyson skin -	-	24,000	-	54,000
		<hr/>		<hr/>
		\$ 96,000		\$ 218,000
		<hr/>		<hr/>

There was, moreover, a deduction of 10 per cent. on the amount of the duties on goods imported in American vessels, which reduced the above \$ 96,000 to less than \$ 87,000.

The second effectually excluded foreigners from the coasting trade. Foreign vessels paid 50 cents per ton on every entry—American, only six cents once a year. Thus a foreign vessel of 100 tons, making twelve entries in a year, paid *six hundred dollars* tonnage duty—whereas, an American vessel, of the same size, and making the same number of entries, paid but *six dollars*. Foreign vessels were subsequently excluded altogether.

By the third, foreign and American vessels engaged in the foreign trade, paid, for every entry, the former *fifty cents*, the latter *six*. Thus a foreign vessel of 300 tons, in that trade, making six entries in the year, paid *nine hundred dollars*—whereas, an American vessel, of the same size, in the same trade, and making an equal number of entries, paid but *one hundred and eight*.

It will be a lasting stain on the annals of that congress, whose reputation otherwise stands so deservedly high, that, while it afforded such powerful protection to one class of citizens, so small in comparison, it paid no attention to the equal claims of the manufacturers, so numerous and so highly useful. The great mass of imported manufactures, were subject to but five per cent. duty—thus exposing the manufacturers, in their

feeble state, as regarded capital, talent, skill, and experience, to the overwhelming competition of foreign rivals, possessed of great skill and experience, immense capitals, the exclusive domestic market, and the paternal protection of their respective governments, exerted in prohibitory duties, bounties, and drawbacks. Never was there a more unequal conflict.

The history of no country exhibits a more glaring and discreditable case of partiality. It must tinge the cheek of an American with shame. The solution is easy. The manufacturers had no representatives in congress. Their votes in our cities had been generally given to merchants, by whom they were thus ungratefully requited. The agriculturists in that congress, were led to believe, that commerce was every thing, manufactures comparatively nothing; and that to purchase merchandise cheap was the only point worthy of consideration.

The following table exhibits the relative proportions of the imported goods subject to ad valorem duties, in 1789, 1790, and 1791.

Per cent.	1789.	1790.	1791.
5	\$7,136,578	\$14,605,713	\$11,036,477
7½	520,182	1,067,143	7,708,337
10	305,248	699,149	1,114,463
12½	5		314,206
15	2,700	4,876	5,654
	\$7,969,731	\$16,376,881	\$19,179,137*

This partial system, which, I repeat, emanated from the merchants, produced, as will clearly appear, the most calamitous results to themselves, and fully proves how very short-sighted was their policy.

Various attempts were made between 1789 and 1810 to establish the cotton, woollen, and various other ma-

manufactures in this country. The two first almost universally failed, until the restrictive system began. There were not more cotton spindles in the manufactories of the United States in 1808, than are employed in the single establishment of Waltham, although we exported that year 93,000,000 lbs. of cotton. Hundreds of enterprising citizens, whom Edward III. and IV. Henry IV. Frederic, and Bonaparte, would have cherished and fostered by loans, bounties, honours, and immunities, shipwrecked their fortunes from time to time in an unavailing struggle with foreign rivals. They implored the protection of their government. But they implored in vain. The merchants, then, as now, all-powerful, successfully opposed their claims. That government, which so readily complied with every wish, every suggestion of the one class, was deaf to the applications, and regardless of the sufferings, of the other.

The cotton and woollen branches were finally almost altogether abandoned by our citizens in despair. They were unable to compete with the Europeans in those manufactures which depended on machinery. They, however, brought to perfection, and secured the home market in a great measure in, the great mass of the articles depending on manual labour.

It now remains to show how this system, devised by the merchants, operated most ruinously on themselves.

During the wars of the French Revolution, they enjoyed the most extensive commerce that was ever possessed by any nation. They were the carriers for half the commercial world. Our productions met with quick sales and high prices abroad. It would a priori appear, that our merchants must have made noble fortunes. But, contrary to all calculation, there never was a body of men so uniformly unfortunate. Every

year numbers of them were swallowed up in the vortex of bankruptcy, after having done business to the amount of millions. Various calculations have been made as to the proportion of the merchants, who thus fell sacrifices—some as high as seven-eighths of the whole—others three-fourths—others again only two-thirds. The last calculation I believe below the reality.²⁷

It is astonishing how such a result should have taken place, under circumstances so very unlikely to produce it. But it is easily accounted for. There have been at all times in this country twice or thrice the number of merchants our commerce required. This has clearly resulted from the impolicy of the merchants in opposing so uniformly, so steadily, and so successfully affording adequate protection to manufactures. Had the great leading branches of cotton, wool, and iron, with some others, which were arrested by foreign importation, been, as sound policy dictated, duly protected, during the thirty-five years of the existence of our government, thousands of young men in every part of the United States, who have been devoted to the mercantile profession, and immoderately increased its numbers, would have been employed in those branches. They would in that case have been prosperous themselves, and not marred the prosperity of others.

Many parents have destined their children to the pursuit of commerce, without either the requisite capital, talents, credit, or friends, merely for want of other suitable employment. Hence most of our merchants

²⁷ The remainder of this chapter is taken from a work by the writer of this pamphlet, entitled the "New Olive Branch"—published anno 1820. It expresses so fully his present sentiments on this important subject, that he deemed it unnecessary to write them again.

have generally had two or three, and some as many as four apprentices, who, when free, have become supercargoes, or commenced a profession for which they were wholly incompetent. They embarked with slender capitals—procured indorsements from their parents or friends—got discounts from banks—“cut a dash” for a while—and then “*made a splash.*”

The over proportion of merchants is the true source from whence the numberless mercantile bankruptcies have flowed. It is probable that there have been and even now are more shipping and importing merchants in the United States than in the British dominions in Europe, with a commerce so greatly beyond that of this country, whose exports are only about four dollars and a half per head—and whose staple articles glut almost all the markets into which they are admitted. Almost every little port from Passamaquoddy to St. Mary's, has its body of merchants and importers, more or less numerous, who are constantly supplanting each other in the home and foreign markets, to their mutual ruin. The West Indies have thus proved the grave of the fortunes and happiness of half the merchants that have carried on trade with them. The trade to that quarter, as the prices are constantly fluctuating, affords neither certainty nor security. The markets are either overstocked, or visited by a dearth. When the latter takes place, prices rise extravagantly. Intelligence arrives in this country. Our ports are crowded with shippers, who outbid each other, and raise the prices. Vessels full freighted are dispatched from all our ports. The first cargo, perhaps the second, or third, is sold at a great profit. A glut succeeds and sinks the price, and all the remainder often sell at, or below, cost. The major part of the business is almost wholly a lottery, or species of gambling, which regular commerce altogether disclaims.

The price of flour in the West Indies frequently rises, and as frequently falls, to the amount of one, two or three dollars per barrel, in the course of two, three, or four weeks. Hence the merchant whose vessel sails at the rate of nine knots an hour, often makes a fortune—while his less fortunate neighbours, whose rate of sailing is only eight knots, are frequently ruined.

The injurious effects of the inordinate competition, which is the natural consequence of the extraordinary number of our merchants, are four-fold :—

1. Our staples are almost always raised too high at home by the extent of this competition.²⁸

2. The same competition reduces them in the foreign markets.

3. It raises the return cargoes in those markets, particularly in the West Indies: and finally

4. Reduces the price of those cargoes in our ports.

These are among the most striking causes of, and satisfactorily account for, the ruin of so large a portion

²⁸ It is extraordinary, but unfortunately true, that the prices of our staples are almost uniformly higher in the United States, than the British markets warrant. I state the case of cotton in particular, of which I annex the prices in Liverpool on the 23d ult. with the rate which those prices would justify here, exchange at 9 per cent. according to the most accurate calculations of Liverpool brokers, of whose skill and sagacity no doubt can be entertained. I annex likewise the prices in New York, on the 4th ult.

	Prices in Liverpool, Feb. 23, 1824.	Equivalent in the U. States.	Prices in New York, Feb. 4, 1824.
		<i>Cents.</i>	<i>Cents.</i>
Boweds - -	7½ <i>d.</i> to 9¼ <i>d.</i>	10½ to 13½	13½ to 15
New Orleans	8 to 11	11½ to 16½	15 to 17
Tennessee -	7½ to 8	10½ to 11½	12 to 13½

Here is an actual difference of price from 10 to 25 per cent. against a purchaser of cotton in New York, who shipped to Liverpool, in the early part of last month.

These observations would equally apply to tobacco and flour.

of the mercantile class, and have obviously resulted chiefly, if not altogether, from the depression of manufactures.

I offer a calculation on the subject, which, even if somewhat erroneous, may prove useful.

Suppose the whole number of merchants in the United States, since the year 1789, to have averaged constantly 9000—and that two-thirds of them have failed, which, I repeat, is a very moderate estimate. Had manufacturing establishments been properly protected, there would scarcely have been more than 5000; to the mass of whom the profession would have afforded liberal profits. In this case, it is probable, that the bankruptcies would not have exceeded 500. Of course 4500 would have prospered out of 5000; whereas, 6000 have failed out of 9000. Whatever deduction from, or addition to, this calculation may be made, the inference cannot fail to be highly favourable to the general scope of my argument, and to pronounce a strong sentence of condemnation on the ruinous policy this nation has pursued.

As the want of correct views on this point has been among the primary causes of the present distresses of the country, I hope to be pardoned for once more presenting it to the reader. The idea that the want of protection to manufactures has proved highly pernicious to the merchants, by an undue increase of their numbers, will appear plain to those who reflect, that when, by the restrictive system, and the war, there was a market open for, and protection afforded to, domestic manufactures, great numbers of respectable merchants, in all our cities, devoted their time, their talents, and their capitals, to the cotton and woollen branches, very advantageously for themselves, and for the country, while this protection continued—but ultimately to the

ruin of many of them. It is obvious that the inducements to commence an early career in manufacturing are greater than to quit another business, and enter on this at an advanced period of life, and therefore that great numbers of those would originally have been manufacturers under a system of adequate protection.

It is frequently asserted, that though so many of the merchants have been reduced to bankruptcy, the country has gained even by their ruin. This doctrine, which I have tried to develope, I do not understand. Let us investigate it.

Suppose a farmer to sell 5000 bushels of wheat at one dollar per bushel. The miller grinds it—and consigns it to the flour merchant, who sells to the shipper. The latter becomes bankrupt, and pays two, three, five, or ten shillings in the pound, as the case may be. Of course the flour merchant, or the miller, or the farmer, suffers a heavy loss. I cannot see how, from a transaction of this kind, which is an epitome of a large proportion of our mercantile business during the wars of the French Revolution, the country can be said to have gained. Money, it is true, is put into the pocket of one man, but it is withdrawn from the pocket of another. There is no increase of the national wealth.

I hope a due reflexion on the premises will lead to a clear conclusion, that a full and complete protection of manufactures could not at present fail to be beneficial to the merchants, not only by preventing any further undue increase of their numbers, now so out of all proportion to the commerce of the country, but by withdrawing some of the actual number, and the commercial capital which cannot find profitable employment in commerce, but might be advantageously devoted to the cotton, woollen, or iron branches.

APPENDIX.

TABLE I.

Quantity and value of the exports of cotton from the United States for eight years, as taken from the treasury returns, with the average prices of Uplands, on which the calculations made by the treasury department.

	Sea Island.	Upland.	Total.	Value.	Average price of Uplands.
	lbs.	lbs.	lbs.	\$	Cents.
1816	9,900,326	72,046,790	81,947,116	24,186,000	27
1817	8,101,812	77,547,448	85,649,260	22,637,414	26½
1818	6,457,335	86,013,843	92,471,178	31,334,258	32
1819	7,488,775	80,508,270	87,997,035	21,081,769	22
1820	11,569,015	116,291,137	127,860,152	22,309,387	16
1821	11,344,066	113,549,330	124,893,405	20,157,484	16
1822	11,250,635	133,424,460	144,675,095	24,035,058	15
1823	12,136,688	161,586,582	173,723,270	20,445,580	

TABLE II.

General import of cotton-wool into Great Britain, from 1812 to 1823 inclusive, with the stock at the close of the year, and the quantity taken for export and home-consumption.

	1810	1811	1812	1813	1814	1815	1816
	bales.	bales.	bales.	bales.	bales.	bales.	bales.
American	244960	128206	95330	27416	46043	185039	164416
Brazil	143842	118510	98810	139874	152190	80244	123566
East India	79580	16450	2514	1498	13898	24280	32880
W. India, &c.	92790	63180	64550	73453	73118	72180	50344
Total	561172	326340	261304	242241	285249	361743	371206
Stock at close of year	350000	359000	226000	135300	81222	75806	76826
Exported	43930	6334	8700	31300	26400	33900	28000
Home-consump.	310200	311000	315500	371541	312927	343259	342186

	1817	1818	1819	1820	1821	1822	1823
	bales.	bales.	bales.	bales.	bales.	bales.	bales.
American	197020	205409	204804	301607	301492	328330	448164
Brazil	114816	160157	155130	179805	121777	144168	148614
East India	117454	245627	184633	57183	30095	19263	38393
W. India, &c.	49105	55177	30339	31576	37886	39875	33262
Total	478395	666370	544906	570171	491250	531636	668433
Stock at close of year	114134	298369	350418	404762	355780	286380	382820
Exported	32600	70100	66500	27682	52125	60100	59400
Home-consump.	409487	421035	418500	486750	488107	540936	532630

TABLE III.

Stock of cotton on hand at the Ports of London, Liverpool, and Glasgow, at the close of the year from 1813 to 1823.

	American.	Brazil.	E. India.	W. India.	Total.
bales.	bales.	bales.	bales.	bales.	bales.
1813	10300	73100	34600	17300	135300
1814	7250	47200	18600	7550	80600
1815	52000	18100	6200	3600	79900
2816	16700	31200	15800	12900	76600
1817	21500	34900	52200	6000	114600
1818	47750	63000	168300	10250	279300
1819	31900	33750	270600	14750	351000
1820	78800	68300	242600	14300	404000
1821	96230	55220	191200	13750	359400
1822	97850	52820	126700	9030	286400
1823	199745	67368	106510	10267	383890

The preceding tables deserve serious consideration, particularly the first, as it sheds strong light on the impolicy of glutting the markets with our cotton, and affords full proof that we do not increase the proceeds of our exports by increasing the quantity. In one case, a remarkable increase in the quantity, produced a decrease in the value. The second table exhibits the wonderful increase of the consumption in Great Britain, and forms a striking contrast with the state of the consumption in this country, stinted and starved by illiberal jealousy. The British manufacture has increased 30 per cent. since 1817!

The second and third tables are taken from the returns of different brokers in Liverpool. This accounts for a slight discrepancy in the amount of stock on hand at the close of the year.

THE END.